

INTERVIEW

Gordon G. Chang

On China's Demise and Challenge to the West



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DR. Eva Latham

Corporate Social Responsibility



INTERVIEW

Park Young Sun

Guri Nature, Culture, and Design Project (NCD) 2015



ASIA-PACIFIC

Business & Technology

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REPORT

Vol. 4, No. 4, 2012

Potential of Investment in Power Sector in India

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Growing Tension in Japanese-Korean Ties

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World Peace Festival

When Light Meets Light

Mr. Lee Man-Hee, Founder Pastor Shinchonji Church of Jesus Christ

Ms. Kim Nam-Hee, Chairwoman MANNAM Volunteer Association



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Vol. 4, No. 4, 2012



Publisher: MR. LEE DEUK HO
Editor-in-Chief: MR. LEE DEUK HO

Published by: Asia-Pacific Business & Technology Report Co.

Registration date: 2009.09.03

Registration number: 서울증. 라00307

Price: ₹40, ₩9,900, US\$8.00, CN\$8.00, £6.00, €8.00

Annual subscription fee: ₩62,000/ US\$62

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The views and opinions expressed in the articles are those of the authors and do not in any way reflect the editorial policy of Asia Pacific Business and Technology Report

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PRINTED IN SOUTH KOREA

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Mr. Lee Man-Hee, the founder pastor of Shinchonji Church of Jesus Christ, lights the torch at Olympic Stadium in Seoul. This is the first time the torch has been lit inside the stadium since the 1988 Summer Olympics.

World Peace Festival

When Light Meets Light,
There is Victory

BY YONG HEE KWON

The spiritual yearnings of Koreans can be difficult to fathom. Just as K-Pop has taken off from Tokyo to New York, Korean spiritual movements draw adherents worldwide over seemingly insurmountable barriers.

The spiritual yearnings of Koreans can be difficult to fathom. Just as K-Pop has taken off from Tokyo to New York, Korean spiritual movements draw adherents worldwide over seemingly insurmountable barriers. That was sense one received after witnessing the “World Peace Festival” in the Olympic Stadium in Seoul’s Jamsil district on September 16. The audience had come prepared for a few hours of singing and fun. They could not have envisioned 100,000 people filling every seat in the stadium, including thousands more on the playing field, marching in elaborate formations, dancing and enacting various traditional and cultural performances.

The program, a “culture and sports celebration of restoring light,” wound up with men and women’s soccer games, a track meet, basketball, judo, and tug of war matches. In addition, on stage in front of the reviewing area, magicians and ballroom dancers and jazz musicians and a host of other entertainers were performing as well.

This World Peace Festival evoked memories. Was it an improved version of the Olympic Games that opened in Korea 24 years ago at this very stadium? During those games in 1988 we saw performances as amazing as the prancing and dancing of thousands of performers against a backdrop of tens of thousands of people in the stands flipping flash cards of scenes and messages of whatever the South Koreans were selling, from happy school kids to verdant fields. History was repeating itself, perhaps, but on a much bigger scale.

As during the ‘88 Olympics, many people were on the field at the recent peace festival. Young people from all over the world dressed in their traditional colors filled the stadium, flipping cards on cue, forming slogans and scenes. This whole performance >



An aerial view of Seoul's Olympic Stadium during the World Peace Festival.

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Much of the inspiration comes from the Honorary Chairman Mr. Lee Man-hee, who is also the founder pastor of Shinchonji Church of Jesus Christ.



The 12,000 strong flashcard team in the stands, displaying sayings from the bible.

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COVER STORY



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The flashcard team displays the taegukgi (Korean flag) and other flags from around the world.

lasted for more than eleven hours, from morning until after dark when the rain was already falling and pinpoint lights replaced the cards.

Much of the inspiration comes from the Honorary Chairman Mr. Lee Man-hee, who is also the founder pastor of Shinchonji Church of Jesus Christ. Mr. Lee is viewed as one of the most renowned spiritual leaders from Korea by Christians all over the world. Despite his busy schedule he sat through the whole program alongside Ms. Kim Nam-hee, Chairwoman of MANNAM Volunteer Association, which collaborated with the church on the mission of putting on "an unprecedented event in Korea where people from all over the world will gather." Shinchonji means new heaven and earth, and MANNAM means meeting, implying a gathering of diverse figures

In today's Korea, Shinchonji Church and MANNAM are among the most active organizations in the fields of culture and the arts. In the recent past they have undertaken many projects and activities benefiting the downtrodden in both Korean society and abroad. Thus, it was no surprise that thousands of foreigners were seen attending the event, both as participants in cultural programs and games as well as guests of honor. Not many associations in Korea can claim this level of support from foreign communities.

To an outside observer such outbursts of astounding fervor as those on display at the World Peace Festival represent a significant aspect of Korean life and spirit.

One real question which comes to mind after watching such a grand show is how Shinchonji and MANNAM – one being a religious group, the other a volunteer association – were able to attain such an extraordinary array of talent on the tracks, fields, stages and stands of the event. The organizers call it "the world's biggest peace festival in modern times." They may be right. Millions of people were able to

The imagination of the planners showed not only their true desire for international peace, but also the undying, 'can-do' spirit of the incredibly hard-working Korean people.

watch the event on live telecasts and Internet streaming all over the world. Also on display was the famed Korean hospitality as most dignitaries viewed the whole show from seats along side the honorary chairman Mr. Lee Man-hee and the chairwoman Ms. Kim Nam-hee in a specially designated enclosure.

For their respective contributions to the day's proceedings, both host organizations did extraordinarily well. Shinchonji's contribution – the biblical performance – was most impressively depicted, being enacted on the field by mass-game players with cards and flags, and by a 12,000-member flashcard team in the stands. The athletic aspect of the events, called the Olympiad, pitted athletes from foreign countries

against one another in peaceful and friendly competition. Indeed, the entire theme of the Olympiad was one of world unity, centering around the idea of Korean reunification. There were also various cultural performances by MANNAM members such as cultural dances by groups from the Middle East, Latin America, China and India, singers, bands, and magicians.

Incredibly, these events seemed to be going on simultaneously. Men's and women's basketball teams were playing in courts at both ends of the field. While runners were circling the surrounding track, performers were going through their acts in the middle of the field. Flash cards held by thousands on one side of the stands depicted scenes and slogans, and all the while mammoth television screens captured and replayed action, ensuring that everyone got a chance to see what was going on. The effect was that of a masterpiece of organization, planning and rehearsal that had gone on for months before the day of the festival.

The imagination of the planners showed not only their true desire for international peace, but also the undying 'can-do' spirit of the incredibly hard-working Korean people. In preparing for the event, they extracted themes from popular and traditional culture in a reflection of the national and religious spirit of the Korean people.

"One of the most impressive moments was the constant waves that rolled through the stadium stands as thousands actively took part in the show," said one spectator; "The unison and precision of the performer moved all who were watching."

The mass-games were envisioned by the planners "to demonstrate the unity of all cultures and the capacity of people to create peace." Mannam was responsible for bringing thousands of volunteers not only to attend the festival but also to volunteer their time, expertise and enthusiasm in the months prior and in the times needed for rehearsals. The campaign for volunteers was all in the name of peace, of helping people in dire straits. Nothing seems to have been overlooked in conveying this message.

"The campaign's purpose was to raise awareness for peace that is achieved through understanding and appreciation of diversity," says Mannam. In pursuing that aim, the festival began with the dedication of a photo project in which a globe was unveiled made of "thousands of pieces with 3,913 photos of individuals and their sentiments on peace." The idea, says Mannam, was to form "a representation of individuals joining together for the peace and restoration of the world." The program ended in driving rain "with the lighting of a hundred thousand lanterns during the live performance of the 1988 Seoul Olympics song 'Hand in Hand,' accompanied by fireworks."

The emphasis on global understanding was visible everywhere. "The World Peace Festival was not a gathering of nations but of people from all different ethnicities, religions and ideologies that strive towards an



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Mannam's International members wave their national flags at Olympic Stadium in Seoul. More than 12,000 international participants took part in the World Peace Festival.

achievable peace," says the brochure. The alliance between Mannam and Shinchonji deepens the sense of purpose. While MANNAM is a secular organization, its partnership with Shinchonji strengthens the message of nondiscriminatory acceptance of all cultures, faiths, ethnicities and nationalities while providing a religious overlay that attracts devotees looking for new hope and a renewed sense of purpose in a world of conflict.

The union of MANNAM and Shinchonji, represents how two different organizations working in unison can achieve wonders. Many other religious organizations who were otherwise not part of the festival were eager to extend their support after seeing the sheer force of spiritual energy displayed by members of Shinchonji and the volunteers of MANNAM.

After the show many South Korean media reports quoted a number of foreigners about how excited they were to be part of this once-in-a-life-time event. Many felt they had seen something that they would not see again in their lifetimes. The event was also well-attended by foreign media groups, all of whom wrote interesting reports on the event for publication in their own countries.

Even though Shinchonji's leader, Lee Man-hee, is the honorary chairman of MANNAM, the two organizations are entirely separate entities that operate on entirely separate mandates. The World Peace Festival was "a joint sporting event."

No sooner had the festival ended than the blogosphere lit up with comments about the true nature and impact of the event, both good and bad. One blogger found that, "despite the grandness of the event, its long term impact may not be as big and long lasting as proclaimed by the organizers." However, the majority of bloggers were appreciative of the effort made by everyone to do their bit to promote world peace and Korean unification.



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Mr. Lee Man-Hee, the founder pastor of Shinchonji Jesus Christ, and Ms. Kim Nam-Hee, Chairwoman of MANNAM Volunteer Association, watch the ceremonies from the stands.

Most foreigners who attended the festival came away with feelings of having participated in a great international, intercultural experience – a one-of-a-kind event – something truly unique. Many confessed they were not expecting such a grand cultural treat.

MANNAM has become very well-known for its celebrations of patriotic holidays, including the national day on August 15 marking the surrender of the Japanese forces occupying Korea at the end of World War II in 1945 and Korea's freedom after 35 years of occupation. These celebrations are typically marked by a deep sense of patriotism and national pride. MANNAM members, on such occasions, dress up in shirts displaying the yin and yang symbol of the Korean flag, a symbol that represents the ideas of unity, balance and harmony.

Typical of the reception that the movement is getting from Korea's other religious originations, there appears to be a certain jealousy over the rapid rise of Shinchonji. The church, founded in 1984, has gained members with a basic message of love and humanity. According to the church, Shinchonji members "pursue and practice love, forgiveness, and acts of kindness toward others."

"Currently, Shinchonji spreads the message of God in more than 300 churches all

around the world and does diverse volunteer activities."

MANNAM's rise has been no less phenomenal. Since its founding nine years ago with a mere 700 members, the MANNAM Volunteer Association now claims 70,000 members. "It has emerged as a major force of peace all over the globe, organizing many peace-promoting activities," claims the history page of a MANNAM leaflet. For the love of Taegukgi, the Korean flag, and the national flower Mugunghwa (the Rose of Sharon), Mannam has emerged as an organization that not only glorifies volunteerism but also inspires world peace as the most active Korean NGO on the world stage. Some have accused MANNAM of being the front organization for Shinchonji to collect funds and recruit new members. But this is not the case, as the nature and scope of MANNAM is very different from that of Shinchonji. Shinchonji has its own strong base and thus does not need help from any other organizations to attract new members. Pastor Lee's strong spiritual leadership is the real reason for the fast growth of the church.

Pastor Lee relies upon his own distinctive teachings to imbue his church with the dynamism needed to win hearts and minds. The most captivating message is that of peace for all mankind. "Let us love the global village which gives us light, rain and air of the sky," said Lee at the World Peace Festival. "Love is able to make world peace and restore true light."

Mr. Lee sometimes reminisces about his service during the Korean War as a young man. "I know well the reality of war as I had joined the army to avoid hunger," he said. "I know very well what mankind wants and needs. I hold this festival to pray for the realization of world peace."

That is, without a doubt, a message with a universal appeal. A message that not even the most hardened skeptic could deny being relevant to our world. **A-P**

Corporate Social Responsibility

Dr. Eva Latham

BY LAKHVINDER SINGH

Dr Latham, CEO at the Institute for Contemporary Studies and speaker at many conferences, has had extensive experience as consultant to governments and organizations on different issues. She gives BT her view on Corporate Social Responsibility.

Q: In our contemporary world people are expecting much of corporations and corporations do understand that. CSR is one of the ways in which corporations are reacting to the new obligations expected of them in the context in which they operate. How do you see this phenomenon?

A: I think it is a very interesting phenomenon which is a result of an increased level of awareness of our collective responsibility as human beings coupled with the fact that the world has become a global village. Fundamentally contributing to this is of course modern technology. The IT Revolution has made the world more connected than ever before, making information available at the click of a mouse or fingertip. We now not only can hear about situations, we can also see situations on our TVs and mobile phones all day long; anyone can produce information and send images the world round, and as the saying goes, "One image is thousand times stronger than words". Secondly, the continuous development of social media as a consequence of the IT revolution has brought with it exposure of everyone to everyone. Though in itself a positive development, it has its downsides: one is no longer master over one's situation. Not only individuals but

also corporations have become vulnerable in this sense. Many countries are therefore putting privacy laws in place. As a result of being able to see and hear everything in the world and to connect, to speak out, via social media and participating on Youtube and Facebook, etc., the level of consciousness of what is happening around the globe has taken a leap forward and thus also one's conscience; the call to be responsible and accountable for one's action as a corporation cannot be denied and corporations do understand that. So they are responding, some even pro-actively to this "revolution of exposure".

So what are the consequences of this new revolution of exposure for corporations?

Well, it means that corporations have to profile themselves as "good guys" by complying with moral demands from the context in which they operate. A carefully built company profile could be shattered in the blink of an eye via social media if one is not in line with the moral expectations and the ethical standards of the global village. Corporations do understand that and are making great efforts to the cause of human dignity. As a matter of fact it is nothing new for them.

You said that CSR is nothing new for corporations. Could you explain?

Yes. If we see corporations as entities producing a product, then we could compare them with entities which were producing products way before the industrial revolution. In those days the entities were a community of people who not only produced a product and taught their workers to make the product, but it was also the



Dr Eva Latham, international consultant for public and corporate governance.

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Dr Eva Latham with Martin Luther King III and former U.S. President Bill Clinton celebrating Martin Luther King Day.

life style of the entity to take care of everyone in the community, to look at the needs of the community and give help where it was needed; it was a people-centered entity for the good of all. Let me put it this way...the focus was not so much primarily on making "profit", but more on the well being of the community, the inclusiveness, without which the entity could not exist. Think for instance how the guilds operated. So in this sense the predecessors of our modern corporations were always rooted in society and did the good for the benefit of all.

How did this disappear?

This sense of inclusiveness disappeared with the industrial revolution when profit became more important than people and their well being. The contributing factor was the mobility of people and the development of cities, which made face to face contact decrease. Relationships became more anonymous. With that change, the responsibility of the producing entity for its workers, and the community in which it operated, also disappeared. As the entities of production became more complex and more anonymous, there was an almost complete negligence of responsibility for workers by corporations. Labour Unions took over this responsibility for the well being of the workforce. I would call it (on a conceptual level) a sort of compulsory "outsourcing" of responsibility.

And as time passed, the focus of corporations not only changed from people to profit, or to product for only profit, but as the raw face of capitalism took front seat, greed became more the focus than even the product. An example we have recently experienced is the bank products introduced

Corporations have to profile themselves as "good guys" by complying with moral demands from the context in which they operate.

to the mortgage market, which were actually just junk products intentionally developed on the basis of greed and not with the intention of making a good product for the well being of the people and the reputation of the corporation.

So on the roadmap entering our modern times, some entities, now called corporations, changed from people-centred to product-centred to only profit-centred to greed-centred. Owing to the awareness of human dignity in our modern times, there is no acceptance of corporate behaviour based on greed. Corporations are exposed - more and more by social media - and their reputations are damaged by this behaviour. Society did not always hold corporations responsible for their actions, simply because one does not know what one does not know. Now that information on what

is happening in corporations can easily be accessed, people can get to know what they did not know. The information of despicable behaviour by corporations, exposed especially by the social media, has grown exponentially since the IT revolution. Not only governments but also corporations are held to the high standard of human dignity. There has been an increasing demand in society - after WWII - for human dignity for all in the global village. For corporations it means there is a call for them to go back to their roots.

What do you mean by the increasing demand for human dignity after WWII?

It would take some time to explain this thoroughly and give an in-depth analysis with examples worldwide that underpin my view. But let me try to be short and clear in the context of this interview. After WWII certain mechanisms were put in place which were in themselves huge steps for humanity. Implementation of these mechanisms created a new world order and a new civilization: the world went from exclusive thinking to inclusive thinking. The United Nations was established as a platform and the Universal Declaration of Human Rights, the values and norms upon which it functions, was proclaimed. The aim was to make this world a better place by having a frame of reference for inclusive thinking, and a platform to debate issues and interest in that regard. The United Nations came into existence in October 1945 and the Universal Declaration of Human Rights in December 1948. Since then the world has been becoming more and more aware of its obligation to these set of values. Call them moral or ethical values if you will. These values are people-centred and are grounded in the dignity of the human race, the people. The Charter of the UN starts with the sentence: "We the people..." not we the Catholics, or the Buddhists or the Europeans ... These 3 words express the turning point of thinking namely from exclusion to inclusion: we are one people, one humankind. Grounded in the belief in the inherent value of the human person, the message is that all that contributes to enhance human dignity must be done and all that destroys human dignity must be eliminated or avoided. This message has ever since been implemented with growing success. It is a project developing steadily, but there is also resistance the world over, because of ignorance, ethnocentrism, power hunger, greed, etc. The UDHR could be seen as a moral contract between the people and their government requesting governments to honour the dignity of the people. This contract, though all countries are signatories to it, is not binding; it is a strong moral appeal. The decolonization of Africa, for instance, is a direct result of this message where people at last had in the UDHR a weapon to demand their ➤

Q&A



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Dr Eva Latham at the United Nations with Kofi Annan, UN Secretary-General, to make a statement on the status of women.

equal rights from the colonizing powers. A more recent massive movement of people demanding their human dignity could be seen in what is called the “Arab Spring”. But also in the field of gender issues, child rights, environmental issues, etc., there is an increasing awareness of the dignity factor. All over the world one can see people standing up for their dignity.

So the UDHR brought about awareness and movements for human dignity?

Yes! In fact the UDHR is a frame of reference for ethical behaviour of governments towards the people. It is the standard of civilization. As I see it, there is no reason it cannot be applied to organizations seeing it as a contract between corporations and the context in which it operates. I wrote a book explaining this to corporations. They could use this as their vision on CSR. It fits perfectly, it is concrete, concise and understandable, and moreover it is the international standard for human dignity. My experience is that corporations do want to be responsible and accountable, but it is not easy in all situations to rethink how to do things. The UDHR applied by corporations could be very helpful, which I explained in my book.

Could you explain how you envision extending the UDHR to see it also as a contract between corporations and their context?

In my book “Dignity Factor and Organizations” I plead for the same frame of reference for organizational behaviour as is in place for governments: the UDHR. There are various reasons why this same

In my book “Dignity Factor and Organizations” I plead for the same frame of reference for organizational behaviour as is in place for governments: the UDHR.

frame of reference is necessary for corporations. Society at large has changed in many ways: a) under the influence of the Universal Declaration of Human Rights, societies the world over are transforming and becoming fundamentally more in line with the values and the philosophy the declaration is rooted in, instead of the values of a religion, or tradition, etc.; b) citizens are holding their governments responsible for delivering on the declaration, owing to an increase in awareness of their rights; organizations are embedded in the society and cannot be exempted; c) modern technology has brought the world under the click of

a mouse (literally a fingertip!), connecting people primarily on issues, irrespective of the traditional borders, beliefs, or national identity, and thus transnational organizations should have the same values in any country they are operating; d) the labour force that enter the organization comes with a sense of expectation that human dignity will also be respected in the organization and even with the expectation that the organization they work for does not do what governments are forbidden to do, thus they are expecting a continuation of the values of the society in the organization. As corporations operate in societies there should be a balance between the pursuit of values in society and in corporations. It is a continuum.

After WWII civilization took a turning point, as I mentioned before, and the world community accepted the UDHR as its common frame of reference for behaviour of governments towards its people. Corporations function in a society, so there can be no logical reason to exempt them from being held to the same standards of human dignity the leadership of the country is held to. The UDHR, being that common standard for governing society, could be the same common standard for corporations operating in a society. It is the most perfect Private Public Partnership! Therefore the CSR of corporations should be based on the UDHR

Did you implement your vision in organizations?

Yes, I did. Of course one can only implement that aspect that is relevant to the organization. Nevertheless, the organization can make the UDHR their vision and consequently formulate their mission statement based on that. Grounding the CSR vision of the Corporation in Human Rights means that the organization’s mission is the pursuit of human dignity. All behaviour that does not contribute to that mission should not be undertaken or should be corrected. It is fantastic to see how motivated corporations become when they put their responsibility in the framework of the UDHR.

How did you go about writing your book?

I have written it on the request of CEOs and after debating issues with organizations who I worked for as consultant. I wrote the book long before CSR became a household word. After researching several situations in corporations and analyzing the issues on the table at that time, I came to the conclusion that the solution for many problems is a very simple one and at the same time, as it was so simple, no one thought of it, I suppose. The issues at hand in the organization were all in essence, on the conceptual level, a lack of human dignity in the organization culture. Inside the organizations there were issues of leadership, relationships, conflicts of interest, gender, diversity, environmental is-

sues and issues of earth resources, but also issues of corruption and integrity. Outside the organizations there were issues related to how the society perceived the organization and the reputation of the organization in the community. After analyzing the situation I brought it all together with the solution in a little less than 80 pages. The solution for CSR is UDHR as the vision for corporations. The rest is common sense. Everyone knows that profit is good, but greed and destroying the environment are wrong. For the diehards that do not comply, rules and regulations need to be in place. I have seen corporations with a huge amount of text declaring their CSR vision, but their practice was not there. Besides, nobody knows in the end what it is about when a vision has to be that many pages. It becomes too complicated, which means it is not an invitation to action. Too much talk!! Too little common sense! I worked for a CEO who was Catholic and he told me after a coaching session: "I got it, my mission statement will be the 10 commandments! Yes, that is short and clear!! But, not everyone in his corporation is Catholic, so he created another problem! Luckily he had a sense of humour and did not see himself as an evangelist to convert the organization, but a CEO for all, regardless of creed.

I am of the opinion that in order to get all corporations joining in - not only talking the talk of CSR, but also walking the walk - CSR must be kept inclusive, simple and transparent. So my standpoint is that all corporations should become signatories to the UDHR, make it their vision - the pursuit of Human Dignity - and base their mission statement on that. In doing so corporations Keep it short and simple: KISS!

Now there are many developments in the field of CSR. What could you say about this?

I am aware that the developments in CSR are overwhelming in the sense that there are many definitions, even mutually excluding views, many regulations, many methodologies, many questions as to what constitutes CSR and even more question marks than answers.

There is also an increasing awareness of governments towards CSR which is a positive development. Denmark, for instance, has recently introduced a law compelling corporations to add a paragraph on CSR to their annual report stating what the corporation is doing and why, and if the corporation is doing nothing, well then why not. Many corporations are doing that without being compelled by law. What I notice is that some corporations confuse donations to charities or sports with CSR. That is not the same. CSR goes deeper than donations. I would say to make a comparison, CSR is the oxygen of the corporation, a condition sine qua non in order for the corporation to function in a modern society and fulfil the call for dignity...donations are not that compelling! It is nice to do, but not a need



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Dr Eva Latham with U.S. congressman Eni Faleomavaega in Mongolia to speak at a conference on security in the region.

I am of the opinion that in order to get all corporations joining in - not only talking the talk of CSR, but also walking the walk - CSR must be kept inclusive, simple and transparent.

to do!!CSR is a need!

The European Commission in October 2011 published a new policy on CSR, an action agenda for 2011-2014. The agenda covers eight areas. A report recently published (September 2012) calls for a "European multi-stakeholder (not only shareholder) platform on CSR in relevant business sectors. In 2006 there was the start of a "European Alliance for CSR. Kofi Annan, former Secretary General of the United Nations, founded the Global Compact just before he left the UN. The Global Compact, based on 11 principles - of which some come from the UDHR - encourages corporations to

take their CSR. Global compact has many members and it is a good initiative. Asia also has organised itself on this issue and has its own network on CSR. The growing demand of society that corporations fulfil their CSR has also triggered lawmakers to introduced new laws. In the USA, the Dodd-Frank Wall Street Reform and Consumers Protection Act (Financial Reform Act) of July 2010 oblige companies to disclose to the SEC, the source of minerals used in their products such as tin ore (cassiterite), coltan, wolframite and gold. The reason is, rightfully so, to avoid companies buying these minerals from rebel groups in the Congo. There are many developments which are very encouraging and which show the good will of some corporations.

Do you have hope that CSR will be reached by all corporations?

Of course the world cannot be changed between sunrise and sunset, but the will to go to a new dawn has to be made concrete and measurable. The greed has to be reversed where it is present and corporations have to not only look at their short term goals, but also at their long term needs. I am confident that one day in the near future we will say that "morning has broken like the first morning" and like centuries ago inclusiveness will become a lifestyle for corporations, where CSR is as normal as grandma's apple pie. Until then there is much innovative work to be done to get everyone, not only corporations, to think out of the traditional box. [A-P](#)

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REMEMBRANCE



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Sun Myung Moon, the True Parent of Heaven, Earth and Humankind Universal Seonghwa (Ascension) Ceremony (Cheongshim Peace World Center, South Korea) More than 35,000 mourners bade a final farewell to the Reverend Dr. Sun Myung Moon. The ceremony was broadcasted live to 194 nations worldwide.

Living for the Sake of Others: Reverend Dr. Sun Myung Moon (1920-2012)

BY RONKI RAM

The Reverend Dr. Sun Myung Moon will be remembered passionately by the coming generations for his concerted efforts towards building a viable peace and harmony in the world.



He was, in fact, an angel of peace, family unity, and inter-faith dialogue who invented new traditions and ways to organize universal gatherings of diverse religions/faiths in the contemporary world within the forums of UNO and without for the sole purpose of learning the basic lessons of living together harmoniously and with compassion for one and all. Father Moon was not an armchair philosopher who philosophized idyllically in the realm of mere dreams and thoughts, but a karmayogi (a man of action) who firmly believed in practical actions now and here in the real world of our day-to-day existence.

Reverend Dr. Sun Myung Moon was no doubt one of the greatest spiritual leaders and champions of world peace in our times. He is affectionately known by millions of his followers and devotees as "Father Moon."

Father Moon attached his life-long goal of world peace and the permanent faith in loving God with the bounties of simple but



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Reverend Dr. Sun Myung Moon's casket being transported to the burial site as his wife, Dr. Hak Ja Han Moon, follows.

inexplicable nature. He used to say, "If you empty your mind and receive nature into your entire being, there is no separation between you and nature. Nature comes into you, and you become completely one with nature. In the moment that the boundary between you and nature disappears, you feel a profound sense of joy. Then nature becomes you, and you become nature". Father Moon was thoroughly convinced that "Everything around us was given birth through a combination of forces so complex we cannot even imagine it. These forces are closely related to each other. Nothing in the universe was conceived outside the heart of God. The movement of just one leaf holds within it the breathing of the universe". To

know the mysteries of complex universe around us, Father Moon keenly urged his followers to get closely connected with the nature. "Nature creates a single harmony and produces a sound that is magnificent and beautiful. No one tries to show off and no one is ignored; there is just a supreme harmony. Whenever I found myself in difficulty, nature comforted me; whenever I collapsed in despair, it raised me back up". And it is in the name of this benevolent nature called God that Father Moon wanted to create for us a world of perpetual peace and harmony. The time is not far when the world will come to realize and appreciate the genius, sincerity, humility, selflessness, and true love of Father Moon and the driving force of nature behind what he was

striving hard to achieve and accomplish during his given limited life span: universal world peace and one human family under God.

Father Moon dedicated his entire life for bringing peace in our contemporary world and deeply touched hearts of the millions. He passionately taught the lesson of world citizenship and lived the life of a true world citizen. His philosophy of universal peace and world citizenship is vividly reflected in his life-long efforts towards winning the heart of others, including his enemies and strangers. In his own touching words "At times I would simply go for a while in an area of Shinagawa where poor people lived. I slept with them, using rags for cover. On warm sunny days I picked lice from their hair and ate rice with them. There were many prostitutes on the streets of Shinagawa. I would listen to them tell me about themselves, and I became their friend without ever drinking a drop of liquor. Some people claim they need to be drunk in order to speak candidly about what is on their mind, but that is just an excuse. When these women realized that I was sincere in my sympathy for them, even without drinking any liquor, they opened their hearts to me and told me their troubles".

Father Moon had the charisma to win over all. He taught his followers the indispensable lessons of loving one's enemies and living for the sake of others. He always used to emphasize learning to live for God and His People, and striving hard to overcome selfishness. For the purpose of living for the sake of others, Father Moon used to stipulate on the need of working hard in one's life. He once said that "I did not spend all my time roaming the hills and meadows and playing. I also worked hard helping my old brother run the farm. On a farm there are many tasks that must be done during a particular season. The rice paddies and fields need to be plowed. Rice seedlings need to be transplanted, and weeds need to be pulled ... After the seeds are planted, the furrows need to be weeded at least three times, and this is back-breaking work. When we were finished, we couldn't even straighten our backs for awhile". Father Moon combined hard labor with his mission of world peace in such a manner that it became a new principle of peace to bring harmony through hard work, family unity and living for others. The roots of peace, according to him, are to be searched for at the family level and in hard-working, selfless living. For him, the parents represent the present, the children the future and the grandparents the past. So it is only when the grandparents, parents, and children live together, said Father Moon that the children can inherit all the fortunes of the past and present. To love and respect one's grandfather is to inherit the history of the past and to learn from the rich experience of the past.

Peace can not be built in a day. It requires continuous efforts on our part. For a peace to become reality, Father Moon founded various non-profit international organizations (Universal Peace Federation, and



Reverend Moon giving spiritual guidance to believers in 1972.

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Father Moon had the charisma to win over all. He taught his followers the indispensable lessons of loving one's enemies and living for the sake of others.

Family Federation for World Peace and Unification), interfaith service group (the International Relief Friendship Foundation, and Religious Youth Service), and various print, electronic and digital media outlet publications.

The Universal Peace Federation (UPF), an NGO in special consultative status with the Economic and Social Council of the United States, is a global association of conscientious individuals and committed organizations dedicated to the noble cause of building a peaceful world, where each individual can fully realize her/his potential in a peaceful way while living together with others in freedom, harmony, and cooperation, with prosperity for all. Dedicated to build a peaceful world centered on universal spiritual and moral values, UPF programs focus on four core areas: 1) building of strong, healthy families; 2) promoting interfaith harmony and cooperation;

3) building a culture of service, reconciliation and partnership; 4) revitalization of the United Nations. The UPF's many peace initiatives include efforts to establish an interreligious council at the United Nations; regional and national peace councils; peace-building initiatives in the Middle East, Northeast Asia/South Asia, Africa, and the Americas; the promotion of the Bering Strait Peace Tunnel; and, the World Peace Blessing. The idea of an Interreligious Council at the UN was first advanced by the UPF Founders, Rev. Dr. and Mrs. Sun Myung Moon, in August 2000. Since then, there has been a steady development of both local and international initiatives to garner support for this idea among governments. A number of regional and national interfaith councils have also been created, most recently in Thailand.

UPF considers peace as positive, holistic and indivisible. It believes that "we are one human family created by God. The highest achievements of men and women are rooted in spiritual and moral developments. The family is the 'school of love and peace'. Peace comes through dialogue and cooperation. Service to others is the foundation of reconciliation". UPF works to achieve these goals with a special focus on interfaith dialogue, peace education, and service to mankind. It believes that interfaith dialogue and cooperation through conferences and forums allow participants to share diverse aspects of their rich cultural heritage, sacred scriptures and traditions that benefit the entirety of mankind. Father Moon sponsored thousands of such conferences on world peace, family and interfaith dialogues in different parts of the world. The UPF participates each year in the UN's World Interfaith Harmony Week, International Day of Families, International Day of Peace and Women's day. For the UPF marriage, parenting, and the family are the foundations of human development and ▶

REMEMBRANCE

Father Moon envisioned a peaceful world devoid of territorial boundaries, conflicts and wars. He did not want that sons and daughters of God suffer the wars of the sovereign nations.

they function as building blocks of universal peace. Peace begins in the hearts of individuals and it gets nurtured by loving and stable families at home before it spreads across the entire globe. The message of Father Moon was very simple and lucid: live for the sake of others.

Father Moon envisioned a peaceful world devoid of territorial boundaries, conflicts and wars. He did not want that sons and daughters of God suffer the wars of the sovereign nations. He did not find any meaning in diplomatic strategic alliances and dividing the world in mindless power hunting opposite camps. He did his best to help the world wriggle out of the sinews of the 'not so-cold' cold war with love and peaceful ways of persuasion and inculcation of the everlasting message of interfaith harmony and world citizenship. He wanted to replace the current world of sovereign nation states with one in which people could live as citizens of one world. For him nations and nationalities teach nothing but complex rules of the grammar of war and deceitful diplomacy. A world beyond the narrow legal boundaries of statehood, ethnicity, nationality, religion, power politics and strategic alliances was his most desirable dream. He placed God in the centre of his envisioned world of peace and harmony.

Father Moon told us in very simple words who God is. He explained ardently to his millions of followers all over the world how God is doing. Moses told humanity that there exists a God that governs the cosmos. Jesus told the world that God is father. But it was Father Moon who told the world how God is doing. He brought God near to mankind. Father Moon's God is not the one who sits on a throne in distant heavens. On the contrary, He is the one who always feels



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Revered Dr. Sun Myung Moon's official portrait as displayed at the Seonghwa (Ascension) Ceremony.

pain and sufferings of all of us and wants to redeem and liberate humanity as soon as possible from the pangs of distrust, fear, war and cruelty. His God is a working God, who lives amidst his people. His God resides in peace and the only way to realize Him, according to Father Moon, is to build a peaceful world of fellow loving citizens. He also explained 'human responsibility' as the striving for peace and the realization of God. It is here in the very context of human responsibility that Father Moon's principle of living for the sake of others makes an absolute sense. He never felt tired talking about the image of God who always worked for humanity and peace. Even in his ripe age of ninety-plus, many witnessed him talking day and night ceaselessly about God, peace, one human family under God, universal brotherhood and interfaith harmony. He was eager to build a peaceful world in his very life time. He wanted to create a peaceful world in the real image of the abode of God, facilitating each and every one of us to recognize God as Father and all of us as his children. He tried his level best to bring people together in as diverse fields as sports, spiritual conclaves, peace meetings,

rallies, international leadership conferences, platforms of the UNESCO and UNO, and Ceremonies of the Blessing of Marriage. He made the goal of world peace as the most important task of his life. As a true father, Reverend Dr. Moon got tremendous support from his loving family and all of his followers. Father Reverend Dr. Sun Myung Moon and Mother Dr. Hak Ja Han Moon personify an 'ideal couple', and 'true parents'.

For times to come, the institution of UPF, the principle of 'one human family under God', 'living for the sake of others' and a world of perpetual peace and harmony will remain the finest legacies of Father Moon. The world will remember him for ever for his life long dedication to peace and human unity. I have had the honour and privilege to sit in his august company during his 93rd birthday celebration at Peace Palace (Cheon Jung Gung) up in the mountains east of Seoul in the forenoon of January 24, 2012. Ambassador Krishna V. Rajan of India, in his congratulatory message on the auspicious occasion, said that "Father Moon's simple but powerful message of boundless love and unconditional compassion, of service

and sacrifice, of family values and spiritual leadership, is like a lighthouse which beckons the world". The Ambassador continued, "His answer to conflict is the realization that we are one human family created by God. Living for the sake of others is the only road to real happiness".

Father Moon's birthday celebrations in January 2012, coinciding with the Chinese New year holidays celebrations, brought together over 200 participants from 72 countries of the world. To celebrate the auspicious day of Father Moon's birthday, the UPF organized an international leadership conference at Seoul (January 21-25, 2012). It was during this conference that I had the rare opportunity to listen to the engaging lectures of Rev. Hyung Jin Moon, UPF International Chairman (appointed by Father Moon in 2009 as the one chosen to represent him) and that of Dr. Kook Jin Moon, Chairman of the Tongil Foundation, Korea, who deliberated at length on "Peace and Security in East Asia", one of the two core themes of the conference. Dr. Kook Jin Moon was generous enough to provide me some time from his very busy schedule to talk on various aspects of peace in East Asia, which I later published entitled *Envisioning Peace and Prosperity in Northeast Asia in the Asia-Pacific Business & Technology Report* (Seoul) Vol.4, No.1. 2012, pp. 26-9. This conference also provided me a rich opportunity to meet various Ambassadors for Peace of Father Moon from almost all parts of the world, discussing the ways to bring peace and harmony in the world. The central themes during all such discussions were the vibrant ideas and teachings of Father Moon and his various ongoing peace projects in the world. Father moon was indeed a Messiah of world peace who sincerely wanted this world to become the most conducive place for everyone to realize his/her potentials to the maximum with an ultimate objective in mind to grow peace. In his own words: "I have lived my life with just one thought: I wanted to bring about a world of peace, a world where there are no wars and where all humankind lives in love". It would really be impossible to soon replace Father Reverend Dr. Sun Myung Moon, the angel of peace, who had left for his heavenly abode on September 3, 2012. Let's pray for his holy soul which will keep guiding the whole world towards his pious mission of peace and one human family under God. **A-►**

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Another Star Named Park Rises in South Korea's Political Sky



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Ms. Park Geun-hye addressing a media conference in Seoul.

BY VICTOR FIC

The surname Park may be one of the most common encountered in South Korea, so if you say it in isolation to a local conversation partner, it may draw a blank. But if you mention it with the word "president" in front, you are likely to get a strong response from your friend. Some South Koreans idolize the man who served in the Blue House from 1961 to 1979 and credit him with advancing the economy. Others revile him for prioritizing industrialization ahead of democracy while a third camp praises his economic policies, even as they denounce his dictatorship. But be sure that everyone articulates an opinion.

These days, the attention is focused not just on him, but also on his daughter, namely Park Geun-hye, who is seeking to become the paramount leader of the Republic of Korea in this year's national election. Who is she and what can be said about her as an overview?

Park was born on February 2, 1952 in Daegu. She was the first child of future president Park. Her younger brother is Park Ji-man and her younger sister is Park Seoyoung. Her early life was painful. Tragically, on August 15, 1974, her mother was shot to death by Mun Se-gwang, a Korean born in Japan, who was apparently trying to kill

President Park. The incident occurred at the National Theatre. With the country's first lady dead, the young Park bravely stepped into a new role. Then her father suffered assassination on October 26, 1979 when Kim Jae-kyu, the head of the Korean intelligence service, pulled the trigger on his own pistol. This double loss has won Ms. Park some measure of public sympathy.

Concerning her education, Park graduated from Seoul's Seongshim High School in 1970, then earned an undergraduate degree in electrical engineering from Sogang University in 1974. She has also been awarded honorary Ph.Ds from the Chinese Culture University in Taiwan in 1987, the the Korean Advanced Institute of Science and Technology in 2000 and from her alma mater in 2010.

Is politics in the family genes? Park was chairwoman of the conservative Grand National Party (GNP) between 2004 and 2006 and then in the years 2011 and 2012 (the party then altered its name to the Saenuri Party in February 2012). Park has served five terms in the Korean National Assembly. What, then, are some of her career highlights?

In 2002, her party tried – but failed – to impeach the incumbent left wing president, Roh Moo-hyun. Plus, it was revealed in 2004 that the GNP's previous candidate for the presidency, Lee Hoi-chang, had been embroiled in a bribery case two years earlier. The GNP was heading for a major ►

LEADERSHIP

set-back in the 2004 general election. But that year, Park was appointed as the party chairwoman and spearheaded its election effort. Although the GNP lost its majority in the assembly, it still held 121 seats. Many hailed it as a victory of sorts given the adverse environment – and lionized her stewardship. Also, she was instrumental in seeing the GNP triumph in local elections.

In fact, it was during the elections for regional assemblies in 2006 that Park showed how the fire of politics burns in her belly. On May 20, Ji Chung-ho, a man who already had racked up eight prison convictions, slashed her face with a knife. He made an 11-centimeter wound that landed her in surgery. When she came out of it, the first thing that she said to her secretary was, “How is Daejon?” It helped to propel the GNP candidate into the mayor’s seat. This in part gave Park the nickname “Queen of Elections”.

One noted commentator on Park is Hong Sung-gil, Professor of Public Administration and Public Policy at Kookmin University. He fields the question of whether or not it pe-

nalizes her that she is the daughter of a dictator. “She does not have any liability in legal terms. But politically, she is responsible for what her father did regarding human rights abuse. This is a bit of a cultural matter too. Westerners may not be able to understand this situation.” Plus, “Due to political considerations, that is, to receive more votes from the young generation and liberals, she is in a sense forced to apologize.”

But Hong deems the situation rich in irony. “Yes, it is a big contradiction. Human rights are valuable for all human beings, but the left and liberals never criticize North Korean human right problems. This is why people like me strongly argue that they are following North Korea without any proper criticism”.

Another voice on the matter is Scott Snyder, the senior fellow for Korean studies at the Council on Foreign Relations in Washington. He notes in a contrary vein that, “Progressives are trying to make her father an issue, and his record is certainly subject to serious criticism, but the Korean public

doesn’t seem inclined to judge Park Geun-hye solely based on her father’s record. She probably would not be involved in politics if she weren’t Park’s daughter, but she now has a political track record in her own right and South Korea has changed dramatically since Park was in charge. In my view, her lineage provides a mixed impact on her prospects.”

Hong pegs Park as definitely to the right of center. “It is true that her policies...seem to be located at the center-left” such as “her belief in economic democratization and life cycle-fitted welfare programs. But from a comparative perspective, she is more center-right than other candidates...economic democratization may be a left issue, but in the political economic environment in contemporary Korean society, every single candidate has to say economic democratization anyway. So it does not mean that Park is left or center-left.” Snyder, however, finds that she is “center right on most issues, but she appears to have taken a progressive stance on welfare reform and economic distribution issues, which are central to her politi-

Korea’s Presidential Campaign — Dictator’s Daughter vs. Liberals

BY DONALD KIRK

At the height of the political season in South Korea, the country is currently enthralled by one of the more intriguing campaigns for the presidency since the first election under the “democracy constitution” in December 1987. The contest is all the more interesting in view of the extremes represented by the candidates – the conservative nominee Park Geun-hye, daughter of the late President Park Chung-hee, versus two liberals, Moon Jae-in, candidate of the Democratic United Party, and Ahn Chul-soo, free thinking entrepreneur, Seoul National University professor and self-styled political independent.

Each of them has distinctive records that are so widely varied as to distinguish them entirely from the political figures who’ve been running for president at five-year intervals since 1987. South Korean presidents, under the democracy constitution adopted in the midst of nationwide protest in June 1987 against the corrupted quasi-dictatorship of General Chun Doo-hwan, cannot run for a second five-year term. Under that constraint, the country every five years has had a change of president. It’s for that reason that South Koreans are able to go to the polls with something like a genuine choice – and no real fear that the incumbent presi-

dent, possessed with all the powers of the police and intelligence agencies, will want to guarantee himself a second time in the driver’s seat.

There’s no doubt, though, that outgoing President Lee Myung-bak would like very much to see a successor dedicated to perpetuating his fundamental policies. On the basis of her family background, her regional origins and her long career in politics, Park Geun-hye would appear as the best bet to carry on the conservative tradition. She has two extremely distinctive attributes going for her that make her a unique figure in Korean politics.

The first is that she’s a woman in a male-dominated society. Never married, Park studied electrical engineering at Sogang University, a Jesuit-run institution that was founded after the Korean War. For a woman to take center stage in Korean politics is a bold move that has many Koreans asking whether a female can really exercise the same measure of authority and command the same respect as a man. For that matter, Koreans ask whether a woman can stand up effectively to challenges from North Korea, backed up by the North’s only real ally and guarantor, China.

The other attribute that no one else can possibly claim is that Ms. Park is the daughter of Park Chung-hee, the former general who seized power from a democratic government on May 16, 1961, and ruled for

more than 18 years until his assassination by his intelligence chief on October 26, 1979. Park has often had to explain away her father’s dictatorial style of rule. She has gone through the motions of apologizing for his conduct, has disavowed much of what he did and has said she has no intention of imitating his style of governance.

At the same time, as a conservative, Park has defended her father’s record for building up the economy, ordering the leaders of the rising chaebol or business conglomerates to focus on driving exports and turning Korea into an economic powerhouse. Moreover, she has said her father was not necessarily wrong to have taken over taken over the government at a time when the democratic leaders who had come to power after the student revolution of April 1960 were wallowing in disagreement and unable to deal effectively with economic, political and social instability.

Park’s personal life, her choices and relationships, were deeply influenced by the tragedies that befell her beginning soon after her graduation from Sogang with the assassination of her mother, Yook Young-soo, on August 15, 1974. The occasion was the annual national day ceremony marking the date of Japan’s surrender in 1945 that ended not only World War II but also Japan’s 35-year rule over all Korea. The assassin was a Korean living in Japan, and the target was Park’s father, who was in the midst of his

cal platform.”

Hong notes the flaws in her style when he insists that “many people criticize her short sentences which quite often incur misunderstanding...I think she needs to speak more, especially in a friendlier manner, adding more emotional words and actions.” Actually, Park is sometimes called the Ice Princess for her detached style and propensity to use prepared texts. But then again, her supporters find her broad smile charming.

Some have compared Park to the US’s chief leader, Barack Obama, because the former breaks barriers; after all, America did not have a black president until Obama, and Park is the first female to bid for the Blue House. Hong finds the idea correct. “Her career is “a path-breaking achievement. But other than that, I do not see any significant similarities.”

As often occurs in politics, personal factors enter the fray. Many point out that Park, unlike most Korean women, did not

marry – and raise kids. Snyder offers the creative insight that “her singleness could be a political asset; there is no rival interest to compete with her devotion to the state.” Sung states that the answer is actually “yes and no. People who put much value on the traditional role of women may think it is a problem. But most of them are conservative, meaning that Park would be the only candidate for whom they vote.”

What about Park’s foreign policy orientation? Hong finds that “she and her colleagues in foreign policy areas are mostly conservative, although she stands a bit more flexible toward North Korea as compared to President Lee Myung-bak. They all strongly agree with the US-Korea Free Trade Agreement and value the alliance much more than those who back other candidates.”

Snyder has more to chip in. He recommends “her Foreign Affairs article from last year...she wants a stable relationship with North Korea and is open to direct dia-

logue and diplomacy while remaining committed to seeing North Korean reform and denuclearization. The north has not perceived her positively. She was Lee’s special envoy to Beijing when he was inaugurated in 2008 and has personal relationships with many top Chinese leaders. Her views on the alliance with the United States are conventional and comfortable for most American interlocutors. She has had good reviews on her past visits to Washington. The most complicated relationship for Park to navigate may be Korea’s relationship with Japan, given her father’s role in pushing for Japan-ROK normalization in 1965. It is hard to say whether this legacy would paralyze her diplomacy toward Japan or make her well-suited to address contemporary problems in the relationship. It is a different era.” Backing Snyder’s claim that Park is pro-US is the fact that in 2007, she addressed an audience at Harvard where she advocated more robust ties with America. **A-P**

annual liberation day address.

The loss of Park’s mother was not simply a terrible personal tragedy for her family, which also included her two younger brothers, but also a transition point for her father. From then on he adopted increasingly repressive measures to enforce his Yushin constitution, the bedrock of his one-man rule. His only daughter was for more than five years at the epicenter of power, the Blue House, as de facto First Lady, living in the Blue House, playing the role not only of hostess but also of adviser, at least on social matters, and close observer of all that was going on among the political and mercantile elite around her father.

Tragedy struck again with the assassination of Park Chung-hee on October 26, 1979, not by a wild-eyed radical or political dissident but by one who would have appeared least likely to commit such a dastardly act – the director of the Korean Central Intelligence Agency. The KCIA was Park’s instrument for enforcing his power, repressing opponents and, at that time, cracking down on labor unrest that had broken out in factories that Park saw as central to modernization and economic success. One wonders what Park Geun-hye thought of Park’s successor, General Chun Doo-hwan, who sought to emulate her father’s policies but is remembered as a heavy-handed, incompetent dictator held responsible for the bloody repression of the Kwangju revolt in which around 200 people, many of them students who had taken over the city, were killed.

While Park was absorbing the impact of the loss of both her parents to assassins’ bullets, she had to be considering her own debut into politics. She has been a member of the National Assembly ever since her first election in 1998 from Daegu, the south central city that was a wellspring of support



Ms. Park Geun-hye.

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not only for her father but for his two successors, first Chun and then General Roh Tae-woo, Chun’s Korea Military Academy classmate. Park foreswore her own entry into politics, though, while Roh won the first election under the “democracy constitution” in December 1987 after his two rivals, Kim Young-sam and Kim Dae-jung, insisted on running separate campaigns. She also sat out the presidency of Kim Young-sam, who defeated “DJ,” as he was widely known, in 1992. Finally, after DJ’s election in 1997 over a deeply conservative candidate she debuted as a political figure in her own right, winning election to the National Assembly during the first year of DJ’s presidency.

Though a conservative, with strong backing from political and military figures most hostile to Kim Dae-jung, Park did not oppose his efforts to forge rapprochement with North Korea via his “Sunshine policy.” Nor was she an enemy of DJ despite regional loyalties in which DJ had near universal support from the southwestern Cholla region, historically hostile toward domination

by those from the southeast, notably Daegu and the sprawling port city of Busan. Nearly two years after DJ journeyed to Pyongyang in June 2000 for the first inter-Korean summit, Park herself in May 2002 went to the North Korean capital for talks with the Dear Leader.

The visit indicated Park’s deep desire to overcome enormous problems that continue to stand in the way of inter-Korean reconciliation. As president, she would hope eventually to meet Kim Jong-il’s youngest son and heir, Supreme Leader, Marshal, first chairman of the national defense commission and secretary-general of the Workers’ Party, Kim Jong-un. No one knows, however, whether Kim Jong-un wields the power befitting those titles or whether he’s a puppet on strings manipulated by an inner clique led by his uncle-in-law, Jang Song-thaek, married to the late Kim Jong-il’s younger sister. Nor is it at all clear that Park would be welcome again in Pyongyang regardless of who’s in charge. North Korea’s state media, during the presidential campaign, has been deriding her as a conservative expected to follow in the footsteps of President Lee, whom the North regularly reviles as a “traitor” and other choice epithets.

North Korean attacks on Park, though, are misguided. First, most important, as president she would be sure to want to soften tensions that have mounted steadily since Lee cut off aid to the North until or unless the North did away with its nuclear program. It’s not too likely that Park would right away resume shipping several hundred thousand tons of rice and fertilizer each year to North Korea as Kim Dae-jung and his successor, Roh Moo-hyun, were doing for the decade before Lee’s inauguration in February 2008.

Park could be expected to try very hard,

Continued on Page 23

Growing Tension Japanese-Korean Ties

BY VICTOR FIC

Ask South Koreans about their feelings for Japan and you might just hear a facetious story. The former often say that the peninsula is rabbit shaped: the head faces toward China, the source of traditional Korean culture, while the rear end points toward – Japan. For Koreans, the list of grievances goes back centuries, starting with the lament that in 1592, the Japanese warlord invaded Korea and wrecked havoc. It took Korean society decades to recover after the Japanese retreat in 1597. Then in 1910, Japan colonized Korea and absorbed it into the former’s growing empire. During the next 35 years, Tokyo’s harsh policies spanned forcing Koreans to adopt Japanese names to coercing or tricking thousands of women into sexual slavery for the Japanese military as so called “comfort women.”

The past few months have been full of tension, with Koreans once again demanding that Japan apologize for its past transgressions and the two sides fighting a rhetorical war of words over ownership of an island that Koreans call Dokdo and Japanese call Takeshima. What surprises many observers is that both countries normalized relations in 1965 and count the other as a major trade partner. In fact, South Korea sourced much of its technology in the early days of its industrialization from Japan. Meanwhile, the resolutely anti-North Korean Japanese depends on the south to act as a buffer zone between them and the communist, virulently anti-Japanese North Korea. They are also both US allies. Yet, obviously, no two other members of the Western camp are so at odds so often. What explains the recurrent bitterness?

One long time student of the two countries’ bitter-sweet relationship is Jennifer Lind, Associate Professor of Government in the Department of Government, Dartmouth College. She earned her Ph. D in political science from the Massachusetts Institute of Technology and is the author of *Sorry States: Apologies in International Politics*.

She agrees that Koreans keep demanding apologies from Japan and explains that “as much of the coverage of this issue has suggested already, South Korean politicians see domestic political benefit in continually berating Japan, highlighting Japanese misdeeds against Koreans, and demanding apologies. However, I think it is also important to understand that there truly is an underlying problem – that Koreans feel that the Japanese people have not thought much about, or do not feel regret about, the terrible human rights violations that Japanese people committed against Koreans.”

Yet the two sides have at times talked as



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if a new start was underway. For instance, in 1998, South Korean president Kim Dae-jung travelled to Tokyo to inaugurate a supposedly “future oriented” relationship with Prime Minister Keizo Obuchi. His Japanese host offered a mea culpa for the imperial era while Kim dropped demands that the comfort women receive compensation.

In 1998, Kim Dae-jung went to Tokyo and dropped the comfort women issue for an apology in order to start to a new relationship. Why did it fail? “Japan-South Korean relations have cycled between periods of warmth and greater closeness and periods of coolness and diplomatic friction,” observes Lind. “People were very optimistic in 1998, at the time of the Kim-Obuchi summit, but clearly that period of closeness did not linger.”

There was too much right wing sentiment in Japan, exemplified in how Obuchi’s successor, namely Japanese Prime Minister Junichiro Koizumi, paid a half a dozen visits to the Yasukuni Shrine in Tokyo. Most of the countries that Japan attacked during the imperial era deem that place a pro-war site that glorifies Tokyo’s empire building. When pressed on whether he acted as a private person expressing his individual sentiments or in his public role, Koizumi fudged the distinction, insisting that, “I’m both a public and private person.” It whipped up much resentment and suspicion in East Asia. On August 22, the high profile mayor of Osaka, Japan’s second largest city, Toru Hashimoto, stunned and angered many in the region when he said in August that, “There is no evidence that comfort women were assaulted and threatened by the [Japanese] military and dragged off.” He also often implored Japan to develop nuclear weapons, a prospect that no one in East Asia welcomes.

To be sure, the Korean case is also subjected to scrutiny. Lind asserts that, “It is indeed interesting to note that the two Koreas – which are so deeply inimical and threatening to one another – actually do share a territorial dispute and joint histori-

cal resentment toward Japan. But I don’t see that this translates to very much shared solidarity right now. I think that if unification ever occurs, the shared dislike of Japan is an important issue to remember – it’s a lowest common denominator that Korean politicians might use to bring two very disunited parts of the new country together.”

One can also add that the South Korean case becomes weaker considering the high degree of collaboration with Japan when it took over. Also, the same South Koreans who indict Japan for crimes committed three or four generations ago are propping up North Korea, a dictatorship that human rights experts impugn because its record is among the world’s worst. It is too easy to see Pyongyang’s broadsides at Japan as having an ulterior motive, namely distracting its population from the regime’s failures. Plus, supporters of the US/UN record in South Korea will note the many twists and self-serving distortions that nationalists in the south propagate, blaming foreigners for the division when Koreans are most responsible, for example. One additionally senses that much group ego is wrapped up in the issue – on both sides

Considering how small the disputed island is, one is tempted to ask why it so important to two prosperous countries who also have no intention of settling the rocks in the sea. Lind explains that “protecting the sovereign territory and people of the state is the number one job of any government. Tokyo administers this territory and believes it to be sovereign Japanese territory. Seoul claims it as sovereign South Korean territory – and Seoul’s claim is very much intertwined with the memory of Japan annexing the Korean peninsula in the early twentieth century.”

There is certainly political pay-off to politicians on both sides. Hashimoto, for instance, is trying to raise his public profile by winning attention because experts on Japanese politics say he harbors ambitions to rise higher. As for South Korean president Lee Myung-bak’s visit to the island on August 10, Lind admits that, “I can’t speak for him, but people have been emphasizing how he believes there is domestic political gain to be had from berating Japan.” Korea watchers stress that Lee cannot run for a second term, and so is not angling for votes, but instead is likely trying to burnish his legacy as a strong leader.

Looming behind the fracas is China. With China becoming stronger, then should Seoul and Tokyo cooperate more to balance Beijing? Could China’s rise end or ameliorate the Korea - Japan disputes? Lind’s analysis is that, “After World War II, France and West Germany transformed their relations within a generation, motivated by a shared fear of the Soviet Union. French and West German leaders pushed two mutually antagonistic peoples toward an astonishingly

successful reconciliation. So of course this is possible for Japan and South Korea, but it would most likely require a fairly threatening China. As we have seen so far, the tendency for South Korea to hedge – i.e., to pursue good relations with both the US and Japan on one hand, and China on the other – is very powerful. It’s possible that if China emerges as a serious security threat in the region, this would push the two countries together – but China’s rise so far has not brought Seoul and Tokyo together.”

If both countries are American allies, can Washington play any role? “The US values both countries as important allies,” stresses Lind. “I would hope that both countries trust the US to help, if indeed they see there is a way that the US could be helpful. Otherwise I think it’s best to let these two countries handle these issues on their own. That said, we should not keep silent if we see an ally behaving in a way that is so counter to our values – in Japan’s case, if we see prominent leaders denying known historical human rights abuses such as the World War II sex slaves. We should condemn such

denials – for example, as Secretary of State Clinton did, refusing to use language like ‘comfort women’ that obscures the crime.”

Lind’s research for her book *Sorry States* showed that it is actually counter-productive to demand an apology. She explains that, “Japan has extended several apologies for its World War II misdeeds. As I wrote in my book, these apologies triggered a great deal of backlash among Japanese conservatives. This backlash was very upsetting and alarming to South Koreans. So we’ve run this experiment many times, and it’s failed. Apologies, in other words, have not helped these countries move their relations forward. I think relations between Japan and South Korea will depend most on broader strategic conditions: in other words, if the two countries feel it’s in their interest to be closer, they will fix their history problems. But in the meantime, it would help a great deal if Japanese party leaders would be less tolerant of the denials that politicians in Japan are fond of making. Japan can of course have a different interpretation of historical events – but it’s not allowed to make up facts.”

Considering how small the disputed island is, one is tempted to ask why it so important to two prosperous countries who also have no intention of settling the rocks in the sea.

FROM PAGE 21 | Korea’s Presidential Campaign – Dictator’s Daughter vs. Liberals

however, to see if she could reach some understanding with North Korea that would get South and North talking again by assuring the North of economic support in the form of aid and trade if only the North would live up to the promise made on February 29 in Beijing between U.S. envoy Glyn Davies and North Korea’s envoy, Kim Gye-gwan. The understanding then was that North Korea would maintain a moratorium on missile and nuclear testing – a deal that was broken on April 13 when the North test-fired a long-range missile. The fact that the missile fell into the Yellow Sea 90 seconds after lift-off did not diminish the view that North Korea had blatantly violated that understanding.

But how can South and North Korea reach any understanding when North Korea insists on challenging the Northern Limit Line in the Yellow Sea below which the South bans all North Korean vessels? Moon Jae-in, the Democratic United Party candidate, has been on the defensive on this topic, denying that the late President Roh Moo-hyun, whom Moon served as chief of staff, ever considered yielding to the North’s demands to do away with the NLL, demarcated by the United Nations Command three years after the Korean War ended in 1953 and never accepted by North Korea.

Park might not be as outspoken as President Lee in declaring her intention as president to counter the North with attacks on North Korean soil in retaliation for North Korean attacks on the South, but she’s sure to be quite determined in dealing with North Korea militarily. She would not be inclined to compromise or vacillate

if North Korea staged anything like a repetition of the sinking of the South Korean navy corvette the *Cheonan* with a loss of 46 lives in March 2010 and the shelling eight months later of Yeonpyeong Island in which two South Korean marines and two civilian contractors were killed.

The contrast between Park and Moon goes deeper still. While she was First Lady in the Blue House, a year after her mother’s assassination, Moon was jailed under her father’s drastic policies for opposing his Yushin constitution. Moon came out of jail as a political reformer who soon allied with Roh Moo-hyun, then an activist labor lawyer battling for the rights of workers in the industrial enclave of Ulsan, where union leaders were staging strikes against the two biggest Hyundai companies, Hyundai Motors and Hyundai Heavy Industries. Moon stood by Roh not only as his chief of staff during his presidency from 2003 to 2008 but also as Roh’s defense lawyer when he was mired in the corruption scandal that led to his eventual suicide.

Whether Park wins or not may depend partly on whether Moon or Ahn Chul-soo drops out of the campaign. One of them, running alone, would have a serious chance of defeating her, ending five years of conservative rule. Park has tried to show that her party is really different from the old establishment. She’s rebranded the Grand National Party as the New Frontier Party. Moreover, she’s distanced herself from President Lee’s economic policies, perceived to have favored the chaebol by doing away with constraints on cross-holdings and other rules and regulations.

Nonetheless, there’s no question that

young people tend to favor Moon or Ahn. As a high-tech entrepreneur who made a fortune from his own venture, Ahn is seen as a champion of small and medium enterprise, chafing under chaebol domination. As in the United States, the widening rich-poor gap in South Korea is a major issue. For that reason alone, Ahn as an independent is a strong contender. Park’s best hope may lie on the inability of Korean political leaders to get along with one another. As a case in point, Koreans hark back to the rivalry between Kim Young-sam and Kim Dae-jung that guaranteed victory for General Roh in the first election under the democracy constitution after neither of them would drop out of the race.

Park, meanwhile, has had to deal with questions about a powerful foundation founded by her father with funds confiscated from one of his foes. The fact that the foundation owns a newspaper in Busan and 30 percent of Munhwa Broadcasting Corporation, one of Korea’s major networks, has fueled the controversy. For Park, like it or not, the election is necessarily a vote on her father’s rule. Those who admire Park Chung-hee as Korea’s greatest president will support her to the end while those who see her father as a cruel dictator will oppose her passionately even though she’s shown herself as a moderate figure who takes as much after her beloved mother as her loved/hated father. **A-P**

Journalist and author Donald Kirk has covered every Korean presidential election since 1987.

Business Model Your Career

Tim Clark

BY VICTOR FIC

Tim Clark is an entrepreneur who leads the global personal business model movement BusinessModelYou.com.

After selling his Asia market entry consultancy to a NASDAQ listed entity in a multi-million-dollar transaction, he completed a doctorate in international business model portability. Clark then authored and/or edited five books on entrepreneurship, business models and personal development. They include the international bestsellers 'Business Model Generation' and 'Business Model You'.

He currently serves as professor of business at the University of Tsukuba in Tokyo. Clark also provides personal business models and related training to corporations, industry associations, and universities worldwide. See TimClark.net.

Q: Who needs to reinvent his career?

A: Most of us do. In the past, organizational business models often lasted for decades or longer. Today, they become obsolete much more quickly, sometimes over just a few years. That means employees, too, have to modify their personal business models. For example, I went to work for the Eastman Kodak Corporation in 1988. When I joined, Kodak had been operating under the same very successful business model for over 100 years. It was also the year the first digital cameras appeared. Less than 25 years later, Kodak declared bankruptcy. Organizational business models change, and personal models must change, too.

Tell us about how the book is a best seller.

Business Model You became a bestseller for several reasons. First, it struck a chord by offering readers a logical, actionable way to think about the difficult subject of their own careers. Second, it was co-created by 328 people from 43 countries, so we had a small army of "ambassadors" who were enthusiastic about the methodology and helped us spread the word. Finally, it was built on the terrific reputation of its older cousin, Business Model Generation. That book offers a logical, four-step process for modifying or reinventing one's career. While it incorporates principles and exer-

cises familiar to professional career counselors, as far as I know, it's the first to offer users a specific methodology conceived as a personal business model.

So the previous success was Business Model Generation? Tell us more.

Business Model Generation is an international bestseller that has sold more than 300,000 copies in English and has been translated into 26 languages. I served as contributing co-author and editor. Business Model Generation details an important new approach to describing, analyzing, and innovating organizational business models. Specifically, it presents the Business Model Canvas, a tool that "democratizes" business model thinking by allowing anyone—not just executives or consultants—to readily describe and work with business models.

But the Business Model You is based on the Business Model Generation canvas methodology – meaning what?

It adopts the Canvas from Business Model Generation and applies it to individuals rather than to organizations. We call it the Canvas because it is like a white artist's canvas on which you can "paint" a visual picture of an organization's business model.

In fact, what is a personal business model?

A personal business model is the logic by which you create and deliver value to your customers. Careers, of course, are based on delivering value to customers, whether employers or clients. A personal business model lets you clarify career-related thoughts by putting them down in an organized, logical framework that you can manipulate and test.

What are the four steps?

The four steps are draw, reflect, revise, and act. First you draw your as-is personal business model in the form of a Canvas. Next, you reflect on that model and how it might be improved or modified, using exercises from the book. Then, you revise your Canvas based on those reflections. Finally, you Act, testing the various hypotheses inherent in your Canvas.

Why do you test the framework?

Business Model You is based on fundamental entrepreneurship principles that emphasize modeling and testing over planning and execution. Organizational business "planning" has been outmoded for years, and career "planning" has as well. We gain self-knowledge and move forward primarily through creation or testing rather than contemplation.

Tell us more about your framework.

A new personal business model can be

tested in many ways: volunteering with an organization of interest, taking or teaching a class, taking a new part-time job, finding a mentor, conducting informational interviews with people working in the field in which you are interested, and so forth.

How can one page be enough for laying out your personal business model?

It's certainly impossible to represent yourself entirely on a single page! But a career is a complex system. Like all complex systems, it's very helpful to create a simpler model that lets you grasp the bigger picture without trivializing or disregarding its complexity. At the end of the book, I joke that the "one-page method" subtitle is misleading, because if readers go through even a portion of the exercises, they will use up many pages of paper, not just one! But the key point is that ultimately we must define both the purpose and the operating methodology of our careers cleanly and simply—on a single sheet of paper.

You say that a team of 328 people created the book. Who are they?

These are people who joined the Business Model You community as we were writing the book, and contributed their ideas, comments and support before the book was published. In return for pre-purchasing one copy of the book, they enjoyed the privilege of previewing and commenting on draft chapters. It was a self-selecting group; they raised their hands, and they happen to represent 43 nations.

How popular is the canvas approach?

The canvas methodology is now being used by tens of thousands of organizations worldwide, ranging from traditional businesses to governments, non-profits, social ventures, and other groups. The book is also a main or supplementary text at hundreds of universities globally, including Stanford, MIT, Harvard, Berkeley and Michigan. So while I have no hard proof that it is the leading way to describe an organizational business model, I see no other methodology that can make similar claims.

You advise people to assess their marketplace skills. How can they do so?

The best way to do so is through objective customer feedback. It's important to remember that customers might include your boss, coworkers, subordinates, partners, suppliers, or clients of your organization.

But you warn that judging skills is less vital than defining purpose...

Assessing skills is less important than defining your purpose. We all tend to over-rely on our skills, knowledge, and experience. They are important, of course. But Business Model You puts forward a specific method



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for defining your career in different terms.

How can people define their purpose?

The Purpose Statement exercise that starts on page 144 of Business Model You is a good way. It starts with identifying activities you enjoy, people you like to spend time with, and how you like to help others. There is a specific process readers go through to arrive at a provisional purpose statement. It's important to recognize, though, that one's purpose may change with time due to significant life events or with changes in the external environment.

What is the vision for change?

Change is constant and inevitable. Therefore one's personal business model must change as well. It might change in response to life events, such as getting married, buying a house, having children, or an illness or death in the family. Or it might change in response to technology trends, such as the shift from desktop to mobile platforms, or the rise of electronic books. Finally, it might change in response to economic conditions, such as the severe worldwide downturn we're now experiencing. It's a safe bet that we all will be changing our personal business models.

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Artist rendition of Guri World Design Center.

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Guri World Design Center Puts Korea on the World Map of MICE Industry

BY KIM CHEOL HO

In the coming days Guri City in South Korea will be seen as Asia's leading MICE destination. Its location is ideal because statistics show that 60 percent of the world's population resides within six flight hours of Seoul, making Guri City poised to support and grow a center of this scale.

In contrast to its neighbors Japan and China, Korea has managed to exhibit controlled growth, and appears to have very clear focus to become the financial and cultural center of Asia. Encouraged by the nature of its economy, companies such as iWorks have decided to invest more resources in Seoul and their hospitality segment.

Once the project is completed, the design center is expected to make Guri City the design capital of Asia and is deemed to make a significant impact on the design variety and aesthetic in the region. Korea will also reap

financial benefits in the areas of meetings, conventions, incentive travel, and events.

For this reason, the development of the Guri World Design Center is seen as the beginning of a new phase of the Korean economy. The new center will turn all eyes towards Seoul, which is recognized globally as one of the most dynamic cities for development growth.

"It's very exciting to create something from nothing and that will impact the design world. To be able to think it through from the very first square foot on up is a fascinating experience and it's potentially going to be a wonderful resource for designers in that area of the globe to what is possible in design," says Randy Rubin, co-owner of Crypton and a member of the Nature Culture and Design (NCD) Advisory Board.

The largest design market is located in Asia and the most renowned and globally acclaimed urban planning, architecture and interior design firms accommodate about 60 to 70 percent of the projects in Asia.

However, there are no design centers re-

lated to hospitality expos and trade shows in Asia. Also, conferences similar to the Chicago merchandise mart yearly program are also absent in this part of the world. This problem is being addressed by the GWDC that will be set up in a sprawling 1,000 acres of land.

Also known as the NCD 2015 Project, GWDC is aimed to make Guri City recognized as one of the best design centers in Asia. Efforts are being made to attract foreign companies to this destination that will provide technical support. Investment companies will also be roped in to ensure the city's continued growth and make it one of the greatest design conventions and entertainment cities in the world.

Natural Beautiful Landscape and a UNESCO Heritage

Touted to be the Mecca of hospitality design industries, the Guri City incorporates an expansive and natural beautiful landscape that includes a large mountain and

two rivers that surrounds the city. Labeled as a UNESCO heritage three years ago, the city is known for the famous seventeen tombs of the past king and queens of the Josun dynasty.

Phase I of the Guri City project will be completed in 2015 and the authorities are pleased with the results of the feasibility study for the foreigner's company attraction and investment. Both Tier 1 and Tier 2 of the feasibility study was conducted by Nielsen Company, which reports that the hospitality design market in Korea is expected to have unlimited growth.

While construction is in full swing, care is taken that the design center is located either somewhere in the heart of the city or in a suburb area close to the city. This is being done so that foreigners have a guaranteed living space and education facilities and do not hesitate to travel to Guri City. The destination will be only an hour's drive from the international airport and public transportation for visitors will also be made available.

Other facilities will also be taken care of such as providing good condition for freight transportation networks through air, land, and sea. The design center will be roughly a six-hour plane ride from more than 70 percent of Asia attendee areas, and an assembly manufacturing zone for custom made products will be made.

Guri City is being developed to be one of the cities for the leading Meetings, Incentives, Conventions and Exhibitions industry. All the buildings will have unique characteristic that are highlighted by well-known architects and will have mixed-income communities with affordable housing within the NCD 2015 Project site. The city will have a children's cultural center and other cultural facilities such as a concert hall and design library.

The City's sewage plant, in combination with the Guri Tower, will be incorporated in the environmental theme park and a separate region for students will be established, encouraging them to learn about the environment and the sewage processing procedure. This central design center will be something similar to High Point in North Carolina and will serve China and Southeast Asia, which have already made inroads into the hospitality manufacture industry by tie ups with major companies from Europe and the United States.

Typically the Meetings, Incentives, Conventions and Exhibitions (MICE) industry includes three important conditions: design industry, convention and entertainment. The Guri City project will become successful if all these factors are effectively used, from which a compact city will result.

Guri City Project Will Offer a Range of Benefits for Korea

The GWDC project will generate about 100k new job opportunities in Korea and is expected to be the center of the Asian MICE industry for hospitality design. If the man-



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Artist rendition of Model of Guri World Design Center.

The new center will turn all eyes towards Seoul, which is recognized globally as one of the most dynamic cities for development growth.

agement is successful in convincing foreigner tenants to invest in condominiums in this project, it will mean a major revenue stream for the city.

Several manufacturing companies had no choice but to relocate to China and Southeast Asian countries due to the low price competition for products such as furniture, picture and equipment. It is expected that these manufacturers will return as GWDC will re-establish the demand of high quality custom-made products amongst customers and create more job opportunities in the industry. An additional source of income will also begin thanks to GWDC's expo and trade show that will encourage the flow of tourists in the country.

A few years down the lane - in 2018 - Korea will host the anticipated Pyeongchang Winter Olympics. Events such as these require arrangement such as adequate accommodation and a sports convention facility. The high speed train is scheduled to be completed in 2016, and will only take forty minutes to ferry passengers from GWDC

to Pyeongchang. Additional spaces will be provided by GWDC for people during the Olympics.

Students will have an opportunity to study in the design graduate school at GWDC. This school will also have an MBA program, animation center, related hospitality design programs, and R&D offices. All these courses will be designed by experts to train students to become capable designers who will have all the expertise required to work on a global level.

Once completed, the GWDC will boost both airport and export-related business. It will also boost revenues for Seoul through the annual program, including about fifty expos and trade shows. More than eighty conferences within the Seoul prefecture are also scheduled to be held each year. GWDC expects several foreigners to visit Guri City and thus it will have an economic free zone that will include both the English and Korean language.

The Attractive NCD Site

The completed NCD will be divided into many segments such as the Design Center Zone, Hotel and Service Apartment, Commercial Zone, and many more. Established as a permanent showroom-type facility, the design center will serve as a large convention center for expos and will include contract line, residential line, and gift and home.

A bridge has been designed to be located above New City Boulevard and this bridge will serve as the design city visitor information center for all expo attendees. An air terminal included in the area will offer check-in and check-out services for immigrants. All hotel and service apartments in the GWDC will be of five star grade level and the visitors will get to enjoy facilities such as a large sports center, plastic surgery hospital, and health clinic and spa. In addition, all visitors will be able to buy items from supersized duty-free shops and have an option to live in the service apartments ➤

SPECIAL FEATURE | GURI CITY



Artist rendition of Model of Guri World Design Center.

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instead of regular hotels.

Guri City will also have very luxurious seven star boutique hotels with comfortable suites and features such as the spa world, sports center, bar/lounge and sky garden. All these features can be availed by people who opt for the coveted VIP membership. Care has been taken to make the downtown area pedestrian-friendly and dotted with useful retail stores. The center of the underground city will be the commercial power area and is expected to boost the economic profits in the city. Visitors can access the stores 24/7 and all of the mixed-use high-rise buildings will have retail stores up to the third floor. These buildings will have financial and corporate offices beyond the third floor and higher.

Entertainment is ensured for visitors who will get an opportunity to see a water show similar to Las Vegas' Bellagio water show situated near the New City Boulevard. A promenade square is to be built between the commercial zone and mixed-use buildings that will be home to several national brand outlet showrooms and retail stores. An underground city is also in the pipeline and it will be situated directly below the design center, hotel commercial zone, and mixed-use zone.

Another interesting feature of Guri City is the establishment of the foreigner's village that will include about 6000 units of condominiums within seven different villages to offer comfortable living facility to all the foreigners living in the design city. In addition to offering five-star living facilities, each of these villages will feature buildings boasting unique designs that will be separate from one village to another. A number

Entertainment is ensured for visitors who will get an opportunity to see a water show similar to Las Vegas' Bellagio water show situated near the New City Boulevard.

of interior design teams will put their heads together to make various design concepts for each building.

Guri City will have several "villages" for visitors, including the Canal Village, the Lake Village, Art Village, Peninsula Village and many more. While the Canal Village will have a beautiful view of the water show performance, the Lakeside Village will have a view of the existing Jangja Lake and Acha Mountains. The Art Village will be one of the icon villages that will be seen when driving from Seoul to Guri City and express a variety of painting characteristics. The City will also have the Veranda Village, which will connect the water theme park, aquarium

and the theme park so that people can enjoy the theme park setting.

A dedicated cultural and children's zone will cater to the needs of the children and will include a children's library located in the children's memorial museum. Young readers will be able to read both western and oriental stories as well as enjoy the proceedings in an animation theatre. A Children's Cultural Center will be available to the local children as well, and all the foreigner children who live in GWDC will be able to play in this cultural center with the local children.

Finally, Guri City will have an attractive Opera House and Concert Center; Art and Music Museum; Art and Music Square and Sculpture Garden; Academy Zone; Animation Studios; Environment and Theme Park; and Bank of Han River and Deck Tunnel.

"We are fortunate to have industry leaders participating on this advisory board, dedicated to providing their knowledge, expertise and insight for the development of the NCD project. Our board is primarily comprised of manufacturers/marketers, architects, and interior designers sharing their ideas on the first phase of development. Their guidance will help position the GWDC as a state-of-art facility, meeting the future demands of the Asia design community and best-of-breed in the world," said Michelle Finn, VP market and chairman-elect of the NIAB.

NIAB is providing the Korean government with insight and guidance on the development of the Guri World Design Center and architecture and development from a global perspective. [A-P](#)

Mayor of Guri City Park Young Sun

BY LAKHVINDER SINGH

Mr. Park Young Sun is the mayor of Guri City in Gyeonggi province, South Korea. After graduating from Kongju National Teachers College, he joined the Korean diplomatic service and served the Ministry of Foreign Affairs in various capacities. He has also worked in the Ministry of the Interior and the Blue House, the two top power centers in Korea's leadership hierarchy.

He has also represented Korea at the United Nations Headquarters conference on 'World Mayors', where he delivered a keynote address as a representative of Korea. In addition, he is currently a faculty member of Hanyang University Graduate School.

Recently he sat down with Dr. Lakhvinder Singh, managing editor of Asia-Pacific Business and Technology Report.

Q: Thank you for talking to us today. Your city is very beautiful and clean. While coming to your office I was very much impressed by the natural surrounding in the countryside.

A: Thank you for coming. Yes. Our city is very beautiful and clean. That is the reason it is attracting a large number of people from all over the world to come and live here.

Before we talk about the 'NCD' special project, I would like to know more about Guri City, especially its culture and the people.

Guri is adjacent to Seoul. It just takes 30 minutes from downtown Seoul to come here. Our city has a very convenient transportation system both in surface transportation as well as the subway system. Also Guri is located near the Han riverside. As you can see we have a highway between Incheon and Seoul as well. When we fix up the Jamshil weir properly, big ships will be able to pass through Han river. So our city will have connectivity by both road, rail as well as river.

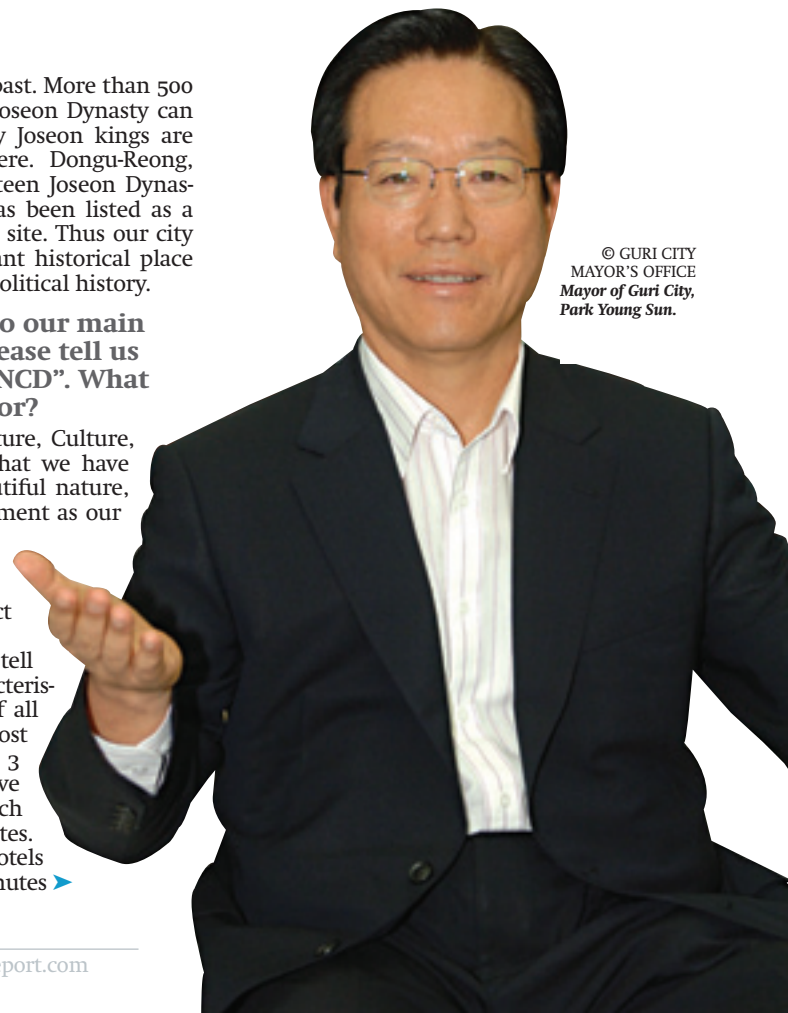
To your question regarding the people and culture, our city has a very long and rich cultural history. It has been witness to many

historical events in the past. More than 500 years of history of the Joseon Dynasty can be observed here. Many Joseon kings are buried in royal tombs here. Dongu-Reong, the burial site of seventeen Joseon Dynasty kings and queens, has been listed as a UNESCO world Heritage site. Thus our city occupies a very important historical place in Korea's cultural and political history.

Now coming back to our main focus of the day, please tell us about the project "NCD". What does "NCD" stand for?

"NCD" stands for Nature, Culture, and Design. N means that we have the Han River and beautiful nature, with Ecological Environment as our theme. C comes out from the rich culture of Guri City. D means Design. We call this project "NCD."

I would also like to tell you some special characteristics of Guri City. First of all our population is almost 0.2 million, yet around 3 million people who live around this area can reach at Guri within 30 minutes. Secondly, two five-star hotels are located within 10 minutes ➤



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Mayor of Guri City,
Park Young Sun.



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Mr. Park Young Sun, Mayor of Guri City, with Dr. Lakhvinder Singh, Managing Editor of Asia-Pacific Business and Technology Report.

of Guri City. Thus it is very convenient for foreigners to visit here.

What kind of foreign business companies you are expecting to attract to this project? What kind of industries and businesses do you want to invest in Guri city?

Let's talk about Guri project in some more detail. We are going to attract the hospitality and design industry. The nature of the design industry is that any buildings such as hotels, resorts, or high class residences are included in that. For example, if an investor has a plan to build in an area, he can make a choice for all procedures related with building projects such as design, interior material, colors etc. Our design center will be the place which can handle of all these procedures. Unfortunately, there is no such center providing all services under one roof anywhere in Asia today. Our center will be the first of its kind in Asia.

Currently most of the needs of the design industry in Asia are met by a small design center in Shanghai, China. But it may not be able to meet the growing needs of Asia as it becomes rich and prosperous. Currently most of this industry in Asia is dominated by foreigners, especially experts from the USA. The time has come when Asia needs to develop its own resources. Our design center is an effort in that direction. Currently, we are in the 21st century, and the hub of international development is coming to Asia. As you know, Europe is going down, USA is in difficult circumstances, there is not much to talk about South America except Brazil. Overall, Asia is expected to become the epicenter of economic growth

The total expected cost of the project will be around US\$ 9.2 billion.

in the near future. Consumption of luxury goods and services is expected to increase.

Is Asia expected to become the hub of luxury goods and services?

According to data, 70 percent of the supply of all luxury goods in the world comes from Asia. We thought that we would need a hub city which can lead the hospitality design industry in Asia. Our experts suggested that this kind of design industry should be located in Korea, especially in Guri City. The reason for this is that Guri city is located in a very strategic place. It lies at the very center of Korea's hub of economic activity. Secondly it has a very large chunk of land available for this project very near to Seoul. Not many cities in Asia can boast such a large available near to their main metropolitan and capital city. The case of Guri City as a hub of hospitality design industry in Asia is thus very strong.

I will also like to add here we are concerned not only about designers who will come and work here. We also want to focus on various small and big events such as conventions, forums, seminars, expos, and

trade shows in our center. Additionally, we have a plan to build an entertainment park. We are expecting a large number of foreign visitors coming here. To accommodate their demand we need to build new hotels. For example, if any expo is held here, we will need a minimum of 40,000 rooms to meet the demand.

The official name of this project is 'Hospitality Contract Design', and we hope that Guri will be the hub city of Asia very soon.

How many new hotels you are planning to build under this project?

For now we have plans to build three new hotels. We have already signed an MOU with Starwood Capital Group to build one of the three luxury hotels. All together there will be 1000 new rooms in this hotel. The MICE industry is growing in Asia. We focus to capture this grow potential. These days, Singapore and Shanghai are investing huge amounts in the MICE industry. So far Korea hasn't gone the right way in this regard and thus has a very small market share. After we build the design center we hope to capture the major share of market in this sector.

The design industry brings out two million people annually. In case of Las Vegas they do many things such as electronic shows and so on. Fifty to sixty percent of our programs will be similar to those of Las Vegas.

What is the current status of the project?

Most of the procedural formalities are already completed. We have sent official letters to the President of Korea, the Ministry of Land and other concerned ministries, as well as the U.S. Ambassador in Korea. The letter included this message: "Over 2000 companies are ready for the Guri project, and we are requesting the release of the Green Belt for NCD project". Also, we have demanded some benefits for our foreign investors. We have requested permission for the building of "foreigner only" apartments, as we are expecting more than 2000 families will come and live here.

What is the expected cost of the project? What kind of investment have you already made?

The total expected cost of the project will be around US\$9.2 billion. We already have around 2 billion in committed investment. When the project is fully operational we expect more than 2000 companies will invest here. Now we are waiting for the release of the green belt by the government. As soon as we have it, this project will run in full swing.

As you know the regulation of foreign trade is very high in Korea. In the recent past foreign investment has had trouble coming into Korea. For example, we are under much tighter regulation trade rules compared with China, Hong-Kong, Singapore, Australia, and India. We need to solve

this immediately. Every investor should be able to come to Korea freely.

We have already recommended all concerned ministries that the Guri project deserves to be chosen as a national agenda. We have requested the government to take it as national policy, and we have got a very positive response from Central Government.

Currently there are many stumbling blocks for foreign capital coming to Korea. Should these not be done away with? Nowadays in China, Hong Kong or Singapore, there are very few stumbling blocks. Should we not also make investing in Korea more foreign friendly?

How much foreign investment are you expecting to attract for this project?

As I said earlier currently around US\$2 billion in total has already been committed. We already have signed an MOU with 1500 companies from among 2000 companies which are planning to come here. If you are to ask me how much the foreign total money coming in is, we are looking at around \$20 billion as investment by foreigners.

What are the main companies which have so far committed to this project?

We have seven international fund groups in the investment sector interested in this project.

There are other investors also?

Yes. There are some investment fund groups. They have made a consortium.

When do you expect the project to be completed? When is the estimated deadline?

We divided the project into three phases. Phase 1 will be finished by the end of 2016

Please explain all the phases. Firstly, what does phase 1 involve?

In phase 1 we plan to complete a design center, two hotels, and foreigners' living space. Here I am talking about apartments and an international K-12 School, (kindergarten to high school). And the design graduate school will also be completed in phase 1.

As for phase 2, this is part of the commercial area, and citizen apartments, an international hospital and township for foreigners and the private homes are to be built by 2018.

In phase 3, an amusement park and culture center are to be built by 2020.

You mentioned the main problem is the green belt issue. Apart from that, are there any other problems or difficulties which you can foresee that can cause potential delay of the project?

No. There are none. Our biggest issue of



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Guri City Mayor Park Young Sun.

concern is the release of the green belt only. Nothing else bothers us. We have been talking to state government and federal government officials for five years now. We are very near to solving this epic problem. After the presidential elections we hope the new government will make a call on this.

Are you already getting good response from the government? What are your expectations?

We are in negotiations with the government. They agreed with this and are satisfied with our proposal. We are beginning to complete the procedural formalities. We have already completed many. But some are still left.

How hopeful are you about the successful completion of the project?

Very hopeful. We have two main cores of this project. The first is that whether or not 2000 companies will move in. This issue is already solved, more or less. Seed investment by foreign investors has already come in also.

And another core of the project is profitability. How much profit we are convinced to get from this project? This question is yet to be answered. But we are sure this project will be very beneficial to Guri, Korea and Asia as a whole.

As you know we are faced with a worldwide economic downturn. Remarkably, India, China and Vietnam are leading the global economic growth. Therefore, demand for hospitality construction design is increasing in Asia.

After coming up to our Guri design center, they won't have to go to the U.S. or Europe. They will prefer to use our closer one which also has all the world class facilities.

We are convinced of the future success of this project.

If this project is successful as planned, how will Guri City benefit economically, as well as non-economically? Please give some specific examples.

First of all, it leads to huge job creation. According to a report from Seoul National University, it will create around 110,000 new job vacancies. The project is also expected bring high tax returns for the city. When financial resources in Guri are increased, Guri City becomes a rich area. Apartment costs will rise, and in the process citizens of Guri will be able to collect more money for their land holdings and properties.

On a national overview, the economical ripple effect is expected to be 7 trillion Korean won. As I mentioned before, after we become the hub of the Asian design industry sector, industries such as textile industry, ceramics and furniture industry will come alive again with high-value additions from design industry.

This question is very important for us. Once the Guri project is completed, Guri City will become an international spot on the world map. So far it is a local city only, so we are going to be looking at quite a sudden transformation. This will surely have some social effects. What is your thinking on such socio-economic effects on the native population? Is your government ready to meet the challenges forced by this social-economic mobility?

As you can see from the location, the design center will be built around the Han River. Around existing apartments, there is empty land of almost 1000 acres. Currently, Guri City consists of both provincial area and the local city. When it becomes international, Guri City may have some negative effects on economical and social fronts. Old citizens might be a little shocked, for one thing. We know this and we are well prepared to handle it.

But Guri is different from other areas such as Kangwon-do, Junra-do, and Kyung-sang-do. Those are provincial cities. But Guri is more similar with Seoul, as seventy to eighty percent of Guri citizens just sleep in Guri and work in Seoul. And of course Seoul citizens are globalized already. So we don't worry about this front too much.

Nevertheless, an international city will come into the Han River area which is very close to Seoul. Foreigners will move in there. For some time, it may be a little tense, but as time passes, the citizens of Guri will view it very naturally. So we do not see much trouble from it. [A-P](#)



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Michelle Finn

NCD 2015 Project

Nature, Culture, and Design (NCD) 2015 International Advisory Board

Michelle Finn

BY LAKHVINDER SINGH

Michelle Finn is president of Hospitality Media Group, a.k.a. HMG, in partnership with a publishing firm called ST Media Group.

They are a media company which develop, manage, and launch conferences and events in the US and elsewhere overseas. They also publish two magazines called Hospitality Style and Boutique Design, which serve the global hospitality and interior market places.

During her recent visit to Seoul she talked to Dr. Lakhvinder Singh, managing editor of Asia-Pacific Business and Technology Report, about the NCD Project 2015. The following are some excerpts from the interview:

Q: As you're the chair of the International Advisory Board for the NCD 2015 Project, please tell us a little about the initial idea to create this board.

A: It came into being in 2010 for the purposes of providing insight, guidance, consultations for the development of the NCD 2015 Project. And it stands for Nature, Culture, and Design.

How is this project unique from an urban planning perspective?

I think it's unique because it is probably the first concept for a design city in the world, namely Guri City. We developed the concept for the NCD, which is planned as a design city, a place and destination for all design things. And it is comprised of a proposed 4.2 million square foot design centre and a 1.5 million square foot exhibition centre that will serve the whole composed city. And it will serve as the design capital of Asia, and will be a place for design professionals, owners, and developers to go to see the latest in

design, innovation, and technology (as related to design), or architecture, with all the design elements coming from the US, Europe, or Asia.

So the project is a mixture of everything that you've mentioned?

Well, yes. The 4.2 million square foot design centre and the exposition centre. By 2015 we will produce events which will fuel the MICE industry, including hotel development, to accommodate the visitors coming in while increasing some retail to accommodate the coming increase in tourism.

It seems this is a very 'big project'. What is the big idea behind it?

The main idea is that Guri City is the design capital of Asia. If you think of Asia, there is no design capital. There's no Paris of Asia, there's no Milan of Asia. And Guri City hopes to serve that role.

So what is the big idea?

Well, the big idea is a design centre, the world's largest design centre, that's one. The three pillars of the project - Culture, Nature, Design - are the three primary components of the project. Blending those together in a harmonious way as a creation of a whole new city to serve the people. Nature is environmental, Culture is the culture and history of Korea, and Design is the feature.

What are the main components of the project?

The main components are the design centre, which is called the Guri World Design Centre, an exposition centre, a 2000 room convention hotel, a boutique hotel, a themed hotel, cultural centres, residential, condominiums, villas, office, retail, a theme park, children centre, and a design school. The design school, a graduate design school, will be part of the design centre. The other thing that's unique is that, never before have you seen a design centre, design school, and exposition cen-

tre all together. They usually have a design centre somewhere, an exposition centre over here, and design school somewhere else. We're putting all these components together because it's all about design and they need to be together. The design centre will serve as an incubator for the school. The school and the students will have an opportunity to interact with design elements from the design centre.

And yes, I forget to mention one other thing. There will also be an art museum. And this art museum will serve real art, commercial art, and graphic art.

You're putting so many things in one place. Is it not risky? What is the expected outcome?

It's a city. And we call it a MICE compact city. A compact city means that you don't need a car to go to any place in the city. You walk or take a bicycle, or public transport. Otherwise, if somebody such as foreigners come to the design centre for an expo or conference, they don't know where to go. And they don't have any time because most of the people attending such events are businessmen.

So you're saying, people who live in this compact city don't need to leave their area?

Yes that's it. Especially if you want to attract 2,000 brand companies, there must be at least around 8,000 employees from out of the country. They need a comfortable living environment, etc.

But why do you think families should be living in the design city as well?

Because in Korea, the most expensive apartment area is the Gangnam area, and they are sold out because it's convenient and safe, that's why so many people tried to move into the apartments. But they're really sick and tired because there's no open space and no privacy. That's why now they're looking for townhouses or private residences somewhere else again. That's why we put aside 120 acres for townhouse plus private homes. The bottom price is, we expect, around 5 million dollars.

It will be a family living design area, then? I feel that the Guri design centre is the main component. Tell me more about it. What kind of services do you have in mind?

The design centre will be comprised of design elements for commercial business such as hotels, restaurants, clubs, offices, government buildings, institutional buildings, and retail, which comprises the commercial market and residential space, so there are design elements for commercial and residential design. Those elements will be elements such as lighting, carpet, technology, culture, art, accessories, and



Ms. Michelle Finn with other members of the International advisory board.

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The main idea is that Guri City is the design capital of Asia. If you think of Asia, there is no design capital. There's no Paris of Asia, there's no Milan of Asia.



Ms. Michelle Finn with Ms. Rosa Lee, CEO of CBK Solutions and Dr. Lakhvinder Singh

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textiles. It will be a place for the people to go for design areas and to purchase things.

How many people are expected to work there?

That's a big question. Well, I guess it breaks down to, at 100 percent occupancy, we would estimate about 2,000 companies from around the world will be participating and leasing space in the design centre. And this will involve around 8,000 people, because each company should have a minimum of four employees. And the people who serve the market, too, because, I think a lot of manufactures will have partnerships with Korean companies for distribution. And it could be Indian companies or European companies, and they would need place to stay. And then the hotels will serve the visitors. They will

also serve in industries such as hospitality, or serve as part of a category like kitchen and bath, along with continuing education, luxuries, and parties. People need to connect, people need to socialise. That's part of it.

Is there anything we've missed or anything you'd like to add?

I will add a couple of things on NIAB. The NIAB members are leaders in their respective fields, and are comprised of architects, interior designers, purchasing executives, engineers, and manufactures such as Duralee Fabrics, Kimball, Valley Forge, and Swarovski Crystal.

Thanks for talking to us.

The pleasure is all mine. Thanks for your time. [A-P](#)

BUSINESS

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Asia-Pacific Cruise Industry on a Roll

BY ANURAG SHUKLA

The Asian cruise industry is on a roll and more people in this region are exploring a holiday on a cruise liner due to several factors such as economic recovery and an increasing interest in international tourism.

Affordable cruise rates and a favourable exchange rate have attracted many tourists to spend vacation in the Asia-Pacific waters, giving a boost to the Asian cruise industry and developing a loyal consumer market.

According to an estimate reported by radioaustralia.net.au, cruise ship operations by the company P&O contributed about US\$34 million dollars towards the Pacific economy in 2011. P&O Cruises offers cruise holiday packages to places around Australia, New Zealand, Asia and the Pacific Islands.

Indonesia expects robust growth in cruise tourism and about 160,000 cruise ships tourists are expected to visit the nation in 2013.

Recent months have also seen the entry of many cruise operators in this area,

encouraged by the expansion of port infrastructure, and these players are now focusing on designing innovative product differentiation strategies to lure a rapidly growing customer base.

In September 2012, a panel of cruise line executives met at the second annual Cruise Shipping Asia-Pacific event in Singapore. Noting a bright future for the Asia-Pacific cruise industry, this panel said that all players can easily find 300 million passengers in the Asia-Pacific region with just one percent market penetration.

However, this panel emphasized the importance of having a relevant infrastructure in place to accommodate cruise ships at the various ports of call.

Kevin Leong, general manager of the Asia Cruise Association agrees about the addition of ports in the region: "It is ongoing work and will take some time to make it happen. There is a sense of urgency to create more facilities."

Gianni Onorato, president of Costa Crociere (Costa) said that industry should also try to explain the concept of cruising to the customers.

Costa Crociere is a British-American owned Italian cruise line, based in Genoa,

Italy. Costa operates two ships in the region and has spent the past six years in developing the Chinese market.

Onorato also said that the Asia-Pacific cruise industry should also focus on offering very affordable packages to potential customers. Onorato said Costa, which is based in Italy, has two ships in the region and has spent tens of millions of Euros developing the market in China over the past six years.

The cruise industry in the Asia-Pacific region can also be boosted in a significant manner through the proper use of travel consultants who can promote cruising as a holiday alternative in Asia and elsewhere. Travel consultants can promote cruise line tourism to those who have never been on a cruise before. The Asia Cruise Association (ACA) understands this fact and plans to launch training courses for travel consultants.

"Although we have initiated training programs during key travel tradeshows such as ITB Asia and Cruise Shipping Asia, ACA identified a need to have a regular offering of training sessions to ensure that travel consultants are able to sell cruises as a viable option," said ACA general manager Kevin Leung. 

Growing Affluence in Asia-Pacific leaves USA Millionaires Behind

BY RASHMI GUPTA

Asians are beating their Western counterparts in the race to riches, indicating a major shift in economic power, as per a survey by the Royal Bank of Canada and consulting firm Capgemini.

The Asia-Pacific region is now home to so many super-wealthy people due to a high-growth economy that has facilitated the success of those who run family businesses and property. Entrepreneurs also comprise a significant proportion of this section and have generated wealth from sectors such as automobile and IT.

"As emerging economies progress, the industrial focus will likely shift towards sectors that can distribute wealth and welfare more widely throughout the population," said George Lewis, group head at the Royal Bank of Canada. "Entrepreneurs who can establish businesses focused on improving the wealth of society will be well-positioned to grow their investable wealth."

A total of 3.37 million high net worth individuals live in this region as compared to 3.35 million in North America and 3.17 million in Europe.

This increase in the number is due to an increase in the number of successful and rich entrepreneurs in Japan and China. More than half of Asia-Pacific's millionaires live in Japan, a sixth live in China and a 20th live in Australia.

While the number of high net worth individuals grew in these countries, the number fell in both India and Hong Kong. India experienced a slowdown in its equity-

market capitalization and the value of its currency against the USD went down in 2011. These factors resulted in a decrease of the number of high-net-worth individuals (HNWI) in the country. Hong Kong also saw a drop in stock-market capitalization last year and as a result its HNWI population went down by 17.4 percent.

A super-wealthy individual, or high net worth individual (HNWIs), is a person who has on his disposal over \$1 million which he can use for immediate investment.

Findings of the report indicate that at a country level, a total of seven nations in the Asia-Pacific region are ranked in the top 20 fastest increasing HNWI populations around the globe. Also, the number of the super-wealthy population in Asia is growing at twice the global rate.

Although the number of wealthy in Asia has increased, their total fortunes have decreased from US\$10.8 trillion in 2010 to \$10.7 trillion in 2011. The reason for this decrease has been attributed to the euro zone crisis, which reduced demand for Asia-Pacific goods.

Business environments keep on changing and the Asia-Pacific region may face several challenges in the future, but experts believe the economy will emerge stronger each year due to the diverse nature of Asia-Pacific exports.

The Asia-Pacific Wealth Report 2012 released by Capgemini and RBC Wealth Management forecasts the Asia-Pacific

Although the number of wealthy in Asia has increased, their total fortunes have decreased from US\$10.8 trillion in 2010 to \$10.7 trillion in 2011.

economy to grow by 6.1 percent in 2012 and 6.6 percent in 2013. This growth will be driven by the two fastest growing economies in the world, namely China and India. The growth of Asia-Pacific's high-net-worth individual wealth will also depend on the performance of the business sector in each market. **A-F**

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Growing Ageing Population in Southeast Asia

BY PRIYANKA SHARMA

Health of the elderly is a cause of concern for the health ministers in Southeast Asian countries, and they have recently pledged to take better care of the people in the region who are above the age of 60 years.

About 142 million, or 8 percent, of the population in Southeast Asia are over 60 years of age and this number will double by 2025. The health ministers from the region recently met in Indonesia's Yogyakarta to review key health issues in WHO's Southeast Asia region and came up with the Yogyakarta Declaration.

This declaration is a commitment to help ageing citizens and improve the response of people towards the health of ageing population in their respective countries.

During the meet, the health ministers also reviewed important health issues in WHO's Southeast Asia region, providing policy direction for future action and discussing ways to implement International Health Regulations (IHR 2005).

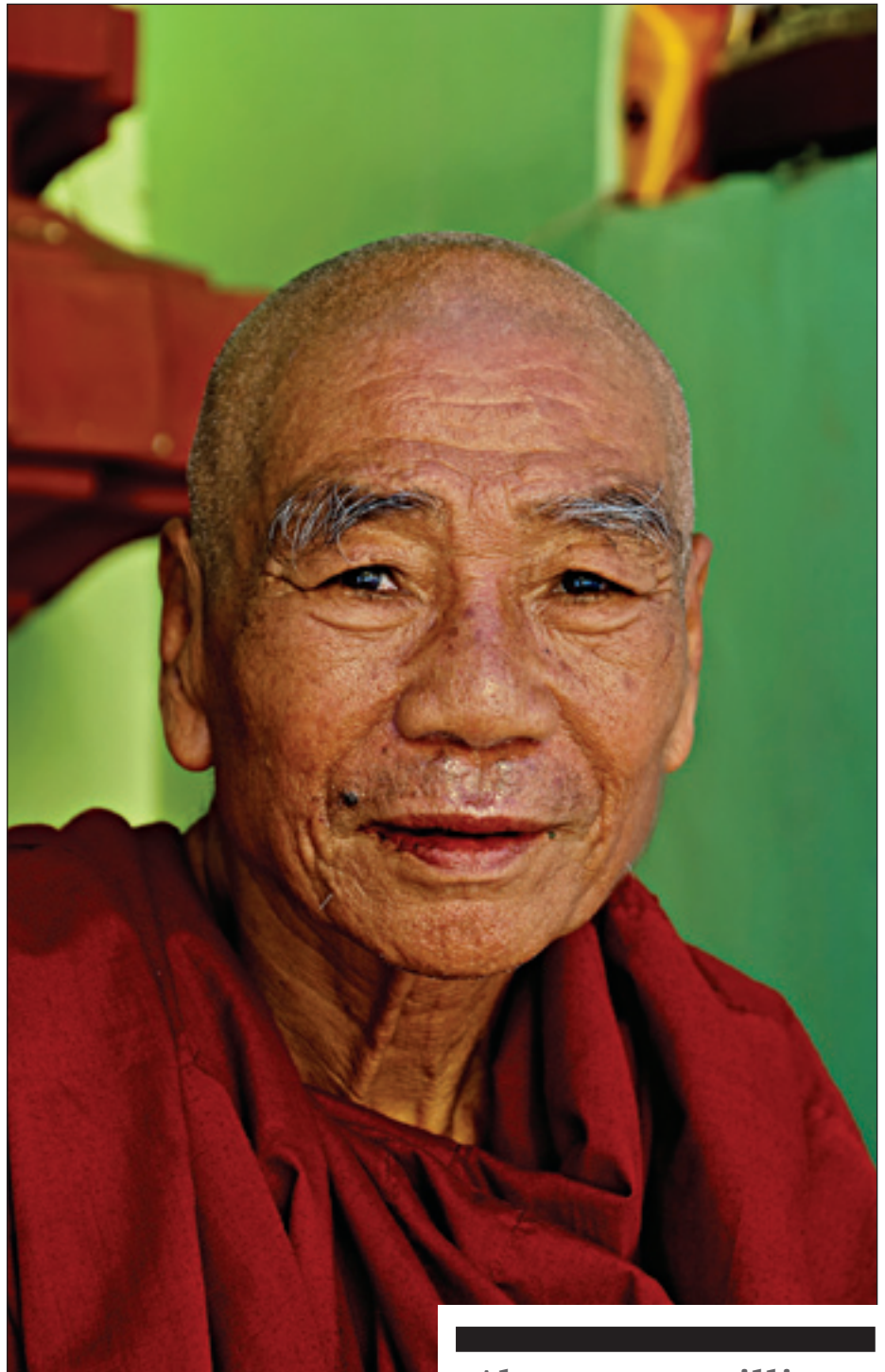
WHO recognizes the importance of implementing the international health regulations but is challenged to do so due to factors such as legislation of different countries.

"WHO follows a life-course approach to promoting healthy, active ageing," said WHO's director general Margaret Chan. "People who get the right start in life, follow healthy lifestyles, and take good care of their health can expect to remain active during their eighth, ninth and even tenth decade of life."

That Southeast Asian cities are concerned about their senior citizens is apparent from the fact that Kolkata, India became the first city in the region to be 'age-friendly' and will work towards adapting structures and services that can be more accessible to and inclusive of senior citizens.

As the first city from Southeast Asia region to become part of the World Health Organization's (WHO) Global Network of Age-friendly Cities and Communities, Kolkata will connect the people of the city and its communities to be focused on the cause of becoming more age-friendly. As reported by the Times of India, Kolkata will also exchange information and best practices with other cities as well as provide technical support and training for the betterment of older people living in this historic city.

Kolkata became the 105th member of the WHO Network. To join, cities need to declare a formal commitment in order to create an environment that will help older people living in the area. The membership



of the city remains as long as it continues to demonstrate improvement on a continuous basis. If a particular city is able to show that it has successfully followed the guidelines as laid by WHO for five consecutive years, it is expected to design another plan of action meant to last for the next five years.

Other nations in South East Asia such as Singapore are also focusing on the health of its elderly. A large number of Singaporeans are worried about their future due to decreasing retirement funds and look towards the government to help in their twilight years. **ASPI**

About 142 million, or 8 percent, of the population in Southeast Asia are over 60 years of age and this number will double by 2025.



Japanese Firms Consider Moving from China, Eyeing Southeast Asia

BY DAVID WOO

Ongoing tension between Japan and China has set the Japanese firms running operations in China thinking about relocating to other countries in Southeast Asia. The exact number of firms considering moving out to nations such as Philippines is not clear but the Japanese Chamber of Commerce and Industry of the Philippines, Inc. (JCCIPI) has indicated that there are indeed many who may want to relocate.

Tensions between China and Japan have been brewing for some time now as the two nations try to sort out dispute over the Senkaku Islands in Japan and Diaoyu Island in

China.

This dispute took an ugly turn recently, marked by angry protests against Japanese shops, restaurants and car dealerships in China. The protestors are angry with Japan for trying to buy an island also claimed by the Chinese capital Beijing. This ongoing source of tension is not likely to end in the near future, driving Japanese firms to explore opening offices in other neighboring nations other than China.

The island issue became quite sour in September 2012, leading Japanese car manufacturers in China such as Toyota and Honda to shutdown their factories.

"If the political issue in China will continue, it will push Japanese firms there to relocate to other countries. Many may want to relocate in Southeast Asia. Japanese investors may want to relocate here," JCCIPI vice president and executive director Nobuo Fujii said in a telephone interview to The Philippine Star.

The tourism industry has also been hit by the protests and many Japanese tourists cancelled their trips to China in their wake. Sales for flight tickets between the two nations have come down for Japan Airlines and All Nippon Airways experienced an increase in cancellations on its flights from China to Japan.

Violent demonstrations are not the only reason to eye the Philippines as the rising

labor costs in China is also raising concerns amongst Japanese firms there. The quality of labour is high in Philippines and the affordability of the entire manufacturing operations makes the nation a favorite spot for investors. Moreover, many people in the Philippines can speak English, making it easy to run business in the country.

Philippines is not the only nation that attracts the Japanese, and many businesses are also looking at Singapore as a viable destination. Many Japanese companies see Singapore as a place to invest and companies such as Panasonic Corp. and Mitsui Chemicals have already shifted few important functions from Japan to Singapore.

The Japan Times notes a recent survey by the Japan External Trade Organization, according to which 36 percent of the 213 Japanese companies in Singapore are involved in regional headquarters functions.

Another 27 percent of the respondents agreed that they were currently considering moving more of their headquarter functions to Singapore.

"While the growth of the Chinese market is slowing, on the contrary some Asian countries such as Indonesia or Myanmar are growing, and Singapore is an ideal hub to enter these neighboring markets," Toru Yoshikawa, associate professor of strategic management at Singapore Management University, told the Japan Times. **A-P**

China's Auto Market Industry: Growing Despite Challenges

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BY JIN SUK YANG

China is today the world's biggest auto market with the sale of about 18 million vehicles in the nation last year and a projected sale of 20 million vehicles in 2012. The future of China's auto industry is even brighter as this market is expected to reach 30 million annual vehicle sales by the year 2020, according to General Motors' chief executive, Dan Akerson.

Although China is currently experiencing a slowdown in its economic activity due to fewer purchases by its European and U.S. clients, it is optimistic about its auto sales thanks to its GDP growth of more than 7 percent. The Chinese auto industry is also expected to benefit from a recently announced subsidy program by the government that favors the purchase of fuel efficient automobiles.

The sales of automobiles may have gone down but the Chinese automakers are making hay with products such as tires, aluminum wheels and radios. These products have a high demand in the U.S., European and Japanese markets and as per the estimate of the research firm AlixPartners Asia, Chinese auto parts makers were able to export such products worth US\$300 billion in 2011.

Impact of Ongoing Dispute with Japan

September saw some tension between Japan and China, which don't see eye to eye on the ownership of the Senkaku/Diaoyu Islands, and protests in China have led many Japanese manufacturers to consider relocating their business operations in other Southeast Asian countries. This dispute has also made an impact on the auto sales in China and the sales figures for Japanese automobile giants such as Toyota and Mitsubishi have gone down. Businessweek has reported huge losses for Japanese auto manufacturers who are struggling to cope with the dip in China sales post-dissent over the islands. People living in China have stopped buying and using Japanese cars to protest against the issue and this has resulted in the biggest drops in China sales since 2008.

Nissan has suspended automobile production in China following a decrease of 35 percent in sales in September 2012. In the same month, Toyota's sales went down by almost 50 percent and Honda Motor Co. suffered a loss of 41 percent due to the on-

going tension. Other Japanese companies affected are Mitsubishi Motors and Mazda. Both companies experienced decline in sales for the month of September. To date Nissan and Toyota were banking on China for a huge part of their global sales but this slump has given them a setback that they were completely not prepared for.

"People are afraid of buying Japanese cars," told Satoshi Yuzaki, Tokyo-based general manager at Takagi Securities Co., to Businessweek. "If the situation doesn't settle and if Japanese carmakers can't quantify the impact soon, there will be a lasting effect on their earnings."

But Japan's loss is another's gain. The Senkaku/Diaoyu islands issue may have caused losses for Japan auto makers but this also means gains for auto manufacturers from other nations who have suddenly found more interested customers than previously. Companies such as BMW enjoyed good auto sales in the same month Japanese enterprises mourned bad sales of their automobiles. Chinese people are also eyeing Mercedes Benz with more interest and in September Daimler had an increase of 10 percent in sales. Anti-Japan protests in the Chinese vehicle market are also helping Hyundai Motor Co. and affiliate Kia Motors Corp. that expect sales in China to exceed their original targets for 2012. Other companies reporting an increase in sales post the island dispute issue are Ford, General Motors and Volkswagen.

All these manufacturers see China as a place with large growth potential and are designing strategies to tap this lucrative market. This market also attracts the investors who want to put their money in allied industries such as tires and auto parts.

Challenges Faced by Protests from the U.S.

China has been accused by the U.S. of having subsidized exports of auto parts, and the Obama government says its policies are violating the free trade rules of the World Trade Organization. The U.S. is still recovering from the global economic meltdown a few years ago and is struggling to offer jobs to those unemployed in the nation. China's new stance on export policy has driven the U.S. to ask the WTO to intervene and question China's trade policy. Although China

is not exporting large numbers of autos to the world it is making quite a fortune by delivering tires, aluminum wheels and other components to the lower end of the market in the U.S. This has given tough competition to the small players in the West and they are unable to make profits as previously.

"Those subsidies directly harm working men and women on the assembly line in Ohio and Michigan and across the Midwest. It's not right; it's against the rules, and we will not let it stand," the U.S. President was quoted as saying. "American workers build better products than anyone. 'Made in America' means something. And when the playing field is level, America will always win."

Lured by easy Chinese policies, many auto parts manufacturers in the West have decided to pack their bags and move to China. Enterprises who have set up manufacturing units in China are given tax holidays, access to energy and land attractive terms and conditions. Shift of manufacturing units to China means an increase of unemployment in the West causing trouble to Obama's government. The WTO has yet to come up with a rule that can curb the problems arising with China's offering about US\$1 billion in subsidies to Chinese auto and auto parts exporters. Obama's concern is also valid as the U.S. is dealing with the significant loss of jobs in the auto parts sector and an increase in auto parts imports from China. But China is also worried about a weakening domestic demand and is retaliating by setting up anti-dumping and anti-subsidy duties on those who are importing automobiles made in the U.S.

Looking Ahead

The auto industry in China is facing a lean period and saw a decrease in sales in August and September. The country saw a boom period in this industry a couple of years ago but now has to deal with not so impressive numbers, encouraging it to design new policies that boost sales in the rural areas of the nation. Sales strategies for the rural areas are expected to increase domestic consumption and inject life in a weakening economy. The government is currently planning to provide subsidies to those who buy mini-buses, cars and trucks

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The Transforming Indian Higher Education Sector

BY ANURADHA SHUKLA

The Indian higher education sector is experiencing a high growth phase these days and a recent survey by the nation's HRD ministry shows a dramatic increase in the number of students currently enrolling for higher education. The gross enrolment ratio (GER) for higher education had been stuck at 12 percent for the past four years but times have changed and this ratio has now touched 20 percent in 2012. These figures are very encouraging as the GER for the developed regions of the world is between 35-40 percent, and the increase shows India is nearing this global benchmark.

This increase in ratio is expected to bring many challenges, as more students interested in higher studies means the Indian government will have to establish about 800 more universities and 50,000 more colleges. HRD minister Kapil Sibal expects the number of students considering university education to be about 400 million by 2030 and thus emphasized the need to quickly build the physical infrastructure. The education system in India needs to be revamped as there are many signs it is not delivering expected results. Although the government has established institutes that render higher quality education, very few prefer studying there. In fact, students from the more economically deprived section of the society also choose private institutions, foregoing free education provided by the government. Not every private higher education institute is regulated and students often have to do with low quality education. As a result of this, many students graduating from these colleges are unable to find employment in India and elsewhere. S.K. Barua, director, Indian Institute of Management, Ahmedabad attributes the fall in quality to lesser control over education by the government. The two-decade liberalisation process, says Barua, has resulted in commercialisation and a fall in quality of education.

Profit-making and Higher Education

The higher educational institutes in India need to make profit in order to deliver quality education on a continuous basis but the human resource development ministry is yet to change the current not-for-profit model. Although the final draft of the 12th five-year plan allows higher education insti-

tutions to be run for profit, it has yet to be seen if this change is actually implemented by the Indian government.

A successful economy requires workers with higher education and skills and this target can be met if quality higher education is provided to students. Quality can be enhanced by hiring highly qualified teaching staff but the institutions need to have money to pay the salaries. However, the money to pay teachers is not there and no system is in place that allows institutions to generate surplus cash if they cannot charge higher tuition fees from the students. Lack of quality education is causing brain drain in the country, as when students do not find good teachers and institutions in India they prefer going outside the country to pursue higher study.

The Indian government recognizes the fact that adequate public expenditure is not done on higher education, and has announced a scheme called RUSA, or Rashtriya Uchchar Shiksha Abhiyan. Aimed towards improving the quality and reach of higher education, this newly announced initiative is expected to increase the gross enrolment ratio in higher education to 30 percent by 2020. Chopra from dailymail.co.uk reports that the Planning Commission has agreed to implement RUSA and India will soon be able to offer new universities and engineering colleges to students in the under-served areas. This initiative will also ensure that students in these areas are taught by highly qualified teachers and study course material that is at par with courses offered abroad.

In the coming months, RUSA will aim to establish 374 model degree colleges in India and has roped in the Ministry of Human Resource Development (HRD) to bear about 65 percent of the project expenditure. The remaining cost will be borne by the states.

Forbes India recently spoke to Pawan Agarwal, Adviser (Higher Education), Planning Commission for the Government of India, who insisted that the nation should focus on implementing new initiatives in the 12th Five Year Plan period (2012-2017) for reforming higher education in India. The country has several institutes that deliver education related to engineering and management but there is a need for more courses to address the requirements of the labour markets.

Role of Industries in the Indian Education Sector

The corporate sector may soon get to play an important and constructive role in India's higher education sector as the government is considering a proposal to involve industries in higher education. This move is expected to deliver several benefits such as increasing research and employability in higher institutes of India; availability of more land for institutions; and having funds for the requirement of the education facilities. Enterprises that are willing to join hands with the government in this respect will be given regulatory clearances for opening institutes

The ministry, in association with the lob-

by group Confederation of Indian Industries (CII), has invited 17 government departments and ministries and nearly 60 companies to a two-day conference in Delhi that will begin on Monday, according to a ministry concept note that Mint has reviewed.

"The government cannot do everything by its own. Once the industry participates, issues like land and finance will be taken care of easily," said S.S. Mantha, Chairman of the All India Council for Technical Education (AICTE), the regulator in the higher education sector for technical institutes and a part of the HRD Ministry.

AICTE thinks including the participation of the industry will encourage students to focus on theme-based research and innovation and ultimately lead to establishing educational institutions that aim to develop qualified and productive researchers. Focused research will improve various Indian industries such as water, manufacturing, and energy.

The Indian education sector is growing each day and this boom is attracting companies such as Polycom to invest in this industry. The video-conferencing solutions provider is targeting the higher education space, and believes these offerings can enhance the professional development of the teachers. Several global universities and institutes conduct lectures over the Internet and India is catching up with this trend.

"The higher education sector is adopting technology because of its large bandwidth. They have the facilities to hold a lot of the high-definition technology," said Lynnette Whitfield, Director of Education Industry Solutions and Market Development, Asia-Pacific, Polycom, to the Hindu Business Line.

Higher Education Sector and Technology

Recognizing the need to come up with out of the box solutions to manage the high growth in the Indian education sector, Sibal has proposed the educational institutes to tap the internet and cloud-computing technologies. The HRD ministry has announced its intentions to distribute low cost devices like tablets and mobile phones, and agreed to bear the fifty percent cost of the products. The government is also making efforts to connect many thousands of villages by fibre optics to enable students benefit from a powerful information highway. Wireless access by tablets and mobile phones will enable teachers to upload videos related to courses and create virtual workshops and labs. In addition these measures will also help students to conduct regular self-assessment of their progress.

Sibal is not the only person who thinks the Indian higher education sector needs a revamp as panelists at the recent Emerging Kerala 2012 Global Connect conference in Chennai acknowledged the importance of improving the employability of students and collaboration between industries and institutions. Kerala boasts the highest literacy rate in India and the state's Education Minister P.K. Abdu Rabb also supports improvement of quality and efficiency of the

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Potential of Investment in Power Sector in India

BY ANURAG SHUKLA

India is challenged to cope with an acute deficit in its power supply, despite the improvement it experienced during the 11th Plan to the end of fiscal year 2012. The nation's installed capacity is to achieve certain accomplishments during this plan period such as reducing energy deficits and commissioning a 1200kV test line centre in the state of Madhya Pradesh. The 12th Plan (2012-2017) will see an investment of about INR 45 lakh crore (US\$900 billion) and half of this is expected to come from the private sector in India. The Indian energy ministry wants to balance out the supply and demand in the energy sector, reduce its dependency on the imported goods and develop alternate energy resources such as gas and solar. However, the power sector is facing major problems with funding of power projects. Lending institutions in the nation are careful with investing money because the electricity distribution companies do not have enough cash to buy power and the nation is already facing a shortage of coal and gas. Other problems include theft of electricity and inability to charge more from the consumers of the electricity.

The good news is that business houses are more than ready to put their money in projects like wind and solar power provided they are given infrastructural support from the government. Companies such as the Muthoot group are already active in this field. This group invested about INR 150 crore (US\$30 million) in Kanyakumari district in the state of Tamil Nadu in the wind energy sector. Chairman of the Muthoot Pappachan group, John Muthoot, told the Press Trust of India that his company was generating 25 mw of power worth Rs. 10 to 12 crore (US\$2.2 million) every year through this green initiative. The group has now set its sight on the neighboring state of Kerala that has been identified to have the potential of generating about 2,000 mw of wind energy in its Ramakkalmedu, Kanjikode and Attappadi in Palakkad district. GE is also set to invest about US\$200 million in a Pune based manufacturing facility in India. The company is establishing this facility for the production of goods related to power generation, transmission & distribution and measurement & control systems.

The Indian government is also trying to attract foreign investors and is allowing up to 49 percent in power trading exchanges from such companies. The government expects this investment will boost availability and distribution of electricity. Rupa Devi

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Singh, MD & CEO, Power Exchange of India told the Economic Times that the government has already received queries from the foreign direct investors who are interested in investing in power exchanges. But investors are not pleased with the 5 percent individual investor limit, as it makes the transaction unattractive for many enterprises. Investors also want a friendly regulatory environment and better government support to build infrastructure, ensuring transmission to areas with high demand.

Interestingly, Indians are eyeing foreign shores to set up power projects as they are getting an opportunity to establish base via invitations from government of several nations. Recently, Iran invited India to set up power projects on its turf. Indian investors are weighing this option and want to tap the potential in the power generation projects in this country. Similar to Iran, the Republic of Macedonia is also encouraging investors from India to put their money in their domestic power projects. This emerging economy in the southeastern part of Europe has invited tenders from Indian companies for 650-Mw hydro power projects worth 700 million Euros. Macedonia aims to liberalise its energy market by 2015, and wanted to privatize up to 49 percent of its state electricity generation company to this end.

Alternate Sources of Energy

Conventional energy is still popular amongst people but solar power is gradually gaining its hold in India and a new study by KPMG indicates that the cost of solar power may equal to that of conventional energy by 2014. The research shows that the escalating cost of setting up Greenfield projects and an increase in the price of exporting raw material has resulted in a steep rise in the cost of conventional power. This contrasts sharply with a reduction in solar power prices attributed mainly to a cut in solar photo voltaic (PV) modules prices. KPMG says that all these factors will eventu-

ally help the cost of solar power to be equal to the cost of utility power from conventional sources by 2014 and India will see solar power generation capacity of 12,500 Mw by 2017. If solar power keeps on growing at this rate it will be able to address about 7 percent of nation's power requirements by the year 2022. Eventually, solar power would be able to reduce cut down 30 per cent of coal imports and create foreign exchange savings of up to US\$8 billion.

KPMG emphasizes that this goal will become a reality if the Indian solar power sector can attract significant investments from enterprises

"I think it is pure economics that is making everyone look at India, because it's a market driven by demand, not climate change," said Azure Power's founder and CEO Inderpreet Wadhwa, "The economics make sense. You have a regulated tariff, there's a market, there are customers and the price is more palatable now."

Indian Electrical Equipment Industry

J.G. Kulkarni, president, Indian Electrical and Electronics Manufacturers' Association (IEEMA), cites the total electrical equipment market to be about INR 1.25 lakh crore. Speaking to Business Line on the prospects of the industry, Kulkarni said that distribution accounts for about Rs 40,000 crore of the total market and it is expected to double in future if "all goes well." The government intends to revise tariffs and encourage private investment in distribution leading to the entry of more distribution franchisees to enter the electrical equipment industry.

China has captured a significant portion of the Indian electrical equipment industry by delivering lower-priced goods to the market and this has driven the local manufacturers to search ways to boost their exports. These manufacturers see growth in the future but many are currently struggling to break even. India's imports of electrical equipment imports were at \$11 billion in 2010-11 due to low import duties on most products.

The Indian local electrical equipment manufacturing industry also has to pay sales tax and other trade taxes, increasing competition with their Chinese counterparts who enjoy more sales due to attractive credit policies. Manufacturers in China readily agree to finance imports for their buyers and this means Indian buyers prefer to buy from China instead of India. This situation will improve if and when the order to impose customs duty on imports good is implemented. Kulkarni also noted the need to make heavy investment to increase the generation, transmission and distribution capacity of power plants. The Indian power sector requires about INR 13.72 lakh crore in the next five years but sees potential for power equipment exports in the near future. Countries such as Africa, Malaysia, Indonesia, Sri Lanka, Bangladesh and Vietnam buy electrical equipment from India.

Conclusion

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Future of Nuclear Power in Japan

BY KEVIN LIU

Japan will no longer follow its plans to phase out nuclear power by 2040, following protests from various business and industry leaders who find the move detrimental for the nation's economy.

Retreating from atomic energy means a loss for companies that depend on local nuclear power plants for running business operations. These firms would have to shift production overseas due to the high price of imported oil and gas and thus lobbied heavily to drop the decision to phase out Japanese nuclear power in the coming years.

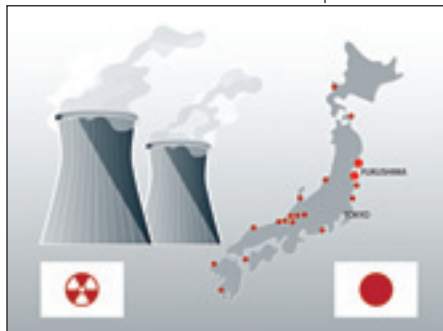
Thirty percent of Japan's electricity comes from the nuclear power, and before deciding to shut out the atomic energy sources, it aimed to increase this capacity to 50 percent by the year 2030. However, the country decided to shut all its 50 nuclear reactors by 2040 and use crude oil, thermal coal and liquefied natural gas in the future.

Japan took the decision to phase out nuclear reactors by 2040 following a recommendation by a panel of energy experts who proposed a policy for nuclear free Japan. The people of Japan openly protested against the nation's current nuclear policy and about 90 percent of those surveyed by the government said they wanted complete abolition of nuclear power.

Only 4 percent of the Japanese people surveyed said they want their nation to use nuclear power for energy in the future.

The nation has taken a u-turn now after listening to those who depend on atomic energy centers for jobs and business opportunities.

"Whether we can become nuclear free by



the 2030s is not something to be achieved only with a decision by policy-makers," said Japanese trade and industry minister Yukio Edano, according to a report in guardian.co.uk.

"It also depends on the will of [electricity] users, technological innovation and the environment for energy internationally in the next decade or two."

But Japan insists that this decision to phase out nuclear power by 2040 does not mean that the nation does not aim to be nuclear-free in the future. The country believes in a 'no nuke policy' but cannot go for a complete phase out as this means greater dependence on fossil fuels and may even be detrimental to the climate in the long run.

Japan faced many protests against nuclear reactors in the wake of earthquake and tsunami disasters that caused nuclear accidents in the country. The government shut two out of its fifty nuclear plants but has now given them permission to begin operations as before.

Anti-nuclear campaigners are not pleased with the government's policy to back out from the phasing out decision and believe that failure to stop nuclear power plants to operate can jeopardize the health and safety of Japan's people and its economy in the future.

The fate of Japanese nuclear reactors is not clear as the government weighs its option to either be a nuclear free nation depending on fossil fuel in the future or listen to the business groups who are worried about losing their business to competitors in other nations of Asia. **A-P**

Samsung's Increasing Profile in Southeast Asia

BY ANURAG AGNIHOTRI

32 percent of mobile devices sold in the Philippines as of last November were made by Samsung, according to a survey by Singaporean research firm GfK. The Korean company is seeing a sustained growth in Southeast Asia and is targeting a market share of more than 50 percent by the end of 2012.

Samsung typically releases its devices in Korea and Southeast Asia before it releases them elsewhere, and it recently released the Samsung Galaxy Note 2 in South Korea. The much anticipated Samsung Galaxy S III (S3) LTE is also now available in Singapore.

Samsung Malaysia is also doing well and is currently strengthening its position in the local television market. It expects the future to be bright and is pushing itself to the top as more Malaysians purchase televisions.

"The Malaysian smart television market is on the uptrend and right now it is accounting for between 35 percent and 40 percent of sales," said the company's Consumer Electronics business director Jimmy Tan Chee Wee at a press conference after signing an agreement with Media Prima-owned subsidiary Alt Media.

A US federal jury recently ruled that Samsung copied critical features of the iPhone, and as a result of this Samsung had to pay Apple US\$1.05 billion in damages. Apple is now making the case for a very quick ban on the sale of eight

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higher education sector. The principal secretary of higher education in Kerala thinks overcoming investment deficit, bridging the quality gap and providing an enabling policy framework will help overcome the challenges in the higher education sector. Other areas of focus in the coming months will be forming alliances with the private sector to sponsor research and arranging relevant industrial training to students.

The Kerala government is set to announce a new policy framework in this connection and representatives from many

nations, including Germany, Canada, Britain, Saudi Arabia and Singapore, are keen on investing in the state's education sector. These initiatives and developments will inspire other states to follow the example set by the region with the highest literacy rate in the country.

The concept of e-learning is also gaining popularity in India and this industry has grown at the rate of 27.9 percent in the last 3 years. A research report "Global Education Industry Forecast to 2016," by market research company AM Mindpower Solutions shows that over 140 e-learning

companies are currently operating in India. This growth potential is luring non-profit companies such as edX to introduce online courses from prestigious universities like Harvard and Berkeley. edX has noted the need of high quality education in India where there is very tough competition for a limited number of seats at universities.

Professor Anant Agarwal, head of edX, told India Real Time that software giants such as Wipro and Infosys are willing to employ students of edX and this gives hope to many students who want to benefit from earning quality higher education. **A-P**

On China's Demise and Challenge to the West

Gordon G. Chang

BY VICTOR FIC

For the past several decades, China's dramatic economic rise has caused global observers to praise it as a Cinderella story. But according to China-watcher Gordon Chang, that once bright fairy tale is turning dark and, for the West, stormy.

Chang, born in New Jersey, practiced law in Beijing and Shanghai between 1996 and 2001. He is the author of 'The Coming Collapse of China'. In addition, Chang is a columnist on China for Forbes and appears on CNN, Fox News, CNBC and MSNBC.

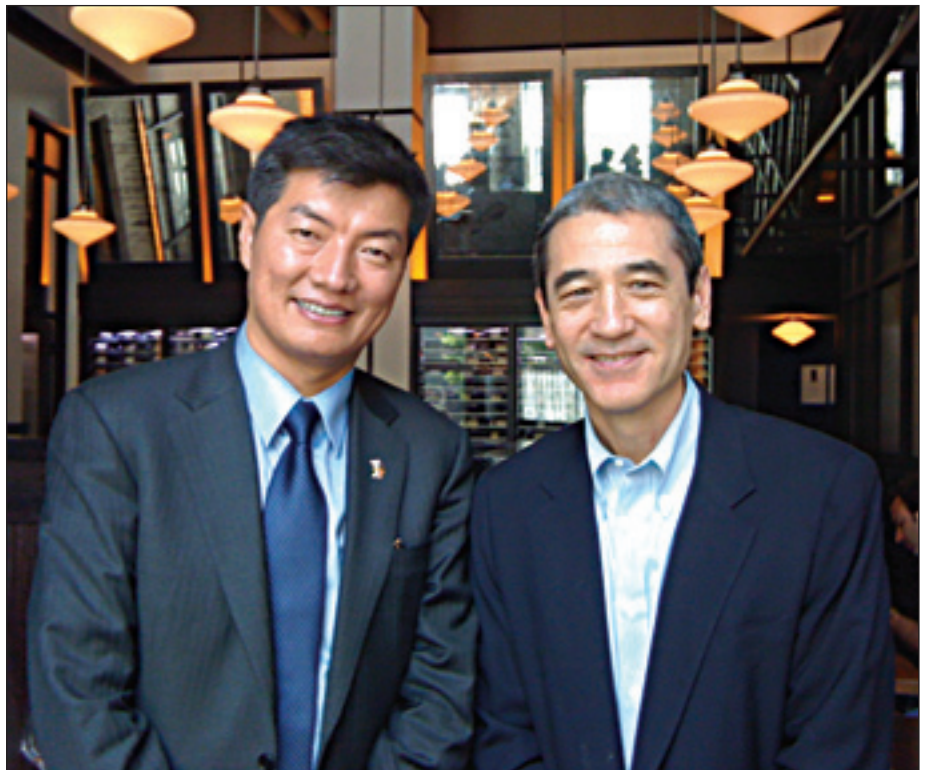
On November 1st, Chang gave an exclusive interview near Toronto to BizTech's contributor Victor Fic to explain his views as to why China faces many troubles ahead in economics, politics, and demographics.

Q: Gordon, why are you doubtful about China?

A: I insist that much of what we know about the Chinese economy is obsolete. It has hit an inflection point and started a long downward slide. Beijing claims that third-quarter growth was 7.4 percent. But I doubt this. That number is fabricated. The best indicator of Chinese economic activity is the production of electricity. In September, electricity production grew by just 1.5 percent. Because the growth of electricity has historically outpaced the growth of gross domestic product, the economy could not have been growing much faster than 0 percent. With Christmas orders, the factories should have been booming, but we saw manufacturing continuing to contract in the third quarter. China suffers from deflation, too, so it could not have had robust growth. Corporate profits were down 11.4 percent for the first nine months of 2012, and this is another indication of economic distress. So is all the 'hot money' – illegal capital flows – leaving the country.

But many say this is temporary.

True, many China boosters reassuringly explain that these are temporary setbacks, but I disagree. China is in a super-cycle downward because the three conditions that created growth in the past no longer exist. To



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Gordon G. Chang with Dr. Lobsang Sangay in Washington D.C., interviewing Dr. Sangay for Forbes.com on July 9, 2011.

start, the Chinese leadership is not sponsoring reform. Instead, Beijing, in a great step backwards, has partially renationalized the economy with state cash in recent years.

You also focus on the international scene, correct?

Yes, the benign external environment no longer exists. China can no longer export its way to prosperity as its trade partners have lost patience with its mercantilist policies. Its large trade surpluses came at the expense of others. The ongoing negotiations for a Trans-Pacific Partnership that will promote free trade excludes China, a snub that was not conceivable in past years when there was far more good will toward it.

Please explain your view of the people factor.

China's demographic dividend has turned into a bust. The workforce already peaked in 2010, six years before Beijing's official demographers said that it would. In many ways, demography limits what is possible. Soon, one worker will support two parents and four grandparents. In the early 1970s, the total fertility rate there was 5.9, meaning that on average each woman had that many children. Now it is 1.8, according to the official figures, but in fact is closer to 1.4 or 1.3. Within a decade, the country will shrink. Yes, China will grow old before it grows rich. As for India, its workforce will be double China's in about two decades. America's stable demographic profile is much better than China's and is about the best in the developed world.

Why are you pessimistic about the Chinese Communist Party?

The Communist Party is increasingly unstable as the Fourth Generation leaders, led by former President Hu Jintao, gives way to the Fifth. At the beginning of this year, almost every China watcher said this transition would be smooth because the party had institutionalized itself with rules, guidelines, practices, and limits. Even critics of the regime accepted this storyline. This is what the world wanted to hear, but now we know it was completely wrong.

What are the signs of crisis?

The bizarre Bo Xilai affair that started in February of 2011 shows that the infighting at the top of the party is intense. Bo was popular with leftists. The party is now fragile and has no strongman to enforce discipline. It cannot hold power much longer. It uses coercion and that is not sustainable in a modernizing society. The very public Bo scandal has resulted in the party losing popular support. Since this February, there has been a public drama of ambition, corruption, intrigue, lust, murder and treason. In recent months, we have learned that the families of Premier Wen Jiabao and new leader Xi Jinping have become unbelievably wealthy. All this de-legitimizes the party.

Explain China's wrong lesson



Gordon G. Chang with His Holiness the Dalai Lama in Washington, D.C on July 9, 2011.

© GORDON G. CHANG

from the collapse of the Soviet Union.

The Communist Party learned all the wrong lessons from the Soviet Union's fall in that senior leaders believed they had to prevent the emergence of a Chinese Gorbachev. What they did was ensure that new Chinese leaders were bland and uninspiring as they weeded out capable leaders. As a result, the party is losing its vital connection with the Chinese people.

Assess the Chinese military.

I am struck that when U.S. Secretary of Defense Robert Gates visited Beijing in January 2011, the men in uniform flagrantly (in his mind) tested their new J-20 stealth fighter. Party leaders apparently did not know this would occur. As Gates said, there is a "disconnect" between China's military officers and their civilian leaders. The fact that Hu Jintao this year has had to constantly remind the military that it is subject to the party's absolute will shows his concern about the military's obedience to the leadership. Rumors of a coup have twice circulated through China in 2011, in January and again in March. Many Chinese found the stories of military takeovers credible because top civilians have conditioned the Chinese people to believe that the top brass has assumed a central role in Chinese politics.

Can the military move against the party?

The military is increasingly acting independently of civilians, criticizing them in public, and making pronouncements on areas once considered the exclusive province of diplomats. Plus, the generals and admirals are talking in a bellicose manner, openly threatening to wage war in the near future. I am alarmed that many flag officers appear to be spoiling for what they

call a 'hand-to-hand fight' with America. The United States has defended freedom of navigation for two centuries, so its interests are diverging with the interests of China, which wants to take over its neighboring seas. Beijing has territorial disputes with three U.S. treaty allies, namely South Korea, Japan, and the Philippines, and that could easily draw in America. Beijing uses provocative and forceful tactics to enforce its expansive and sometimes ludicrous territorial ambitions. For instance, China claims the entire South China Sea as an internal Chinese lake.

How will the world respond?

I see a grand coalition of democracies forming and approve of Washington's strategic pivot to East Asia, a move that is in response to calls within the region for the U.S. to exert leadership. President Richard Nixon made a grand wager that China would become a cooperative partner rather than another Soviet Union, but now it is becoming clear that this was a risky bet.

Amplify your views on the downward spiral you perceive.

The slumping economy is creating a crisis of legitimacy, which is causing leaders to fall back on nationalism and increase friction with neighbors, and increased friction is now aggravating the country's economic problems. For instance, the Japanese car-maker Nissan is shifting investments from China to Southeast Asia in part because of September's anti-Japan protests.

So you foresee a gloomy future?

Leaders around the world will conclude that China cannot be appeased, engaged, or cooperated with. Beijing will act unilaterally. U.S. policymakers will not so much be making China policy but reacting to the new realities in Beijing. We are headed into an especially troubling period. (A-P)

TECHNOLOGY

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E-Books Bring About a Renaissance in Reading

BY SHAMILA JANAKIRAMAN

E-books are selling like hot cakes compared to printed books. E-books, the harbinger of change in the publishing industry, are here to stay, are preferred by people of all ages and are a boon to publishers.

Downloading E-books is a trend now and is catching on fast with sales of digital books racing ahead of printed books. People seem to be reading more than ever before, owing to the simplicity in getting one's hands on a favourite title.

Simply download the book and read! No need for hunting for the book in a store any longer. Reading while traveling has become a pleasure with E-books. No need to carry heavy books!

Electronic books, or E-books, come in digital format and include text and images which are readable on computers or other electronic devices. E-books can be electronic versions of printed books or may be created only as a digital version also. E-book readers are dedicated devices meant for reading but computer tablets, personal computers and even smart phones also serve the purpose.

The Open E-book format serves as a single source document that could be handled by different book-reading software and hardware platforms. E-book publishing has helped many authors whose works were rejected by publishers to catch the public eyes and showcase their talent online. Publishers also gained more readers and a wider market, as E-books have introduced other publishing possibilities.

Much of what was termed impossible some time back has become a possibility now. Publishers and authors are always keen to know what a reader does when he or she is perusing a book. Whether they read in one go or whether they read a few pages at fixed times every day, and so on. Some readers read the prologue, epilogue and everything that goes in between the covers while some only read the text on the covers. What exact parts of a book interests readers was not within reach of book publishers when only paper books or the printed version of books were the only offerings for a reading population. That is a thing of the past. Now E-books make the previously mentioned tasks pos-



sible. Publishers have a means to find out what books are in great demand and why and how readers actually peruse a book.

Reading, a private hobby confined to the comfy corners of the house or open terraces or under the shade of a tree, has now become a measurable quality owing to the advent of digital books or E-books. This is made possible via book apps. Publishers can now derive insights on the reading habits of people. Book apps have been specially developed for tablets like the iPad, Kindle Fire and Nook, which reveal the number of times readers open the app and the actual time spent on reading.

Authors are welcome to this idea as many of them silently wished to find out who bought their books and if books that were bought were actually read or simply rested as gifts to be displayed in book shelves. Although books like J.K. Rowling's Harry Potter series were no mystery regarding who grabbed the books or their reading frequency, there are still books which do not create a ripple, let alone a wave.

The feedback that E-books deliver via book apps will help authors write books according to reader preference in terms of content, length and emphasis to details with respect to emotions, place, clothes or food. Several authors in fact welcome such feedback.

There are some who opine that the whole creative process which concludes in a wonderful tale will get curtailed with feedback. Some books have to remain long to retain the imagery and the whole creative process. Writing based on collected data is not accepted by some authors and publishers.

Amazon, Apple, Google and other E-book publishers can find how much of the book is read, and the time spent reading and the terms readers use to search for books. Some readers may find this an invasion of reading privacy but marketers argue that publishing still remains behind other industries in catering to the taste of audiences.

In other forms of entertainment like movies and TV shows, a sincere effort is made to find the preferences of the viewing populace via TRP. Shows are created accord-

ing to the most recent trends, demand and mood. Likewise publishers are leveraging the technological developments and huge volumes of data to garner crucial information regarding reading behavioural patterns to offer what is in vogue.

E-Reading Data

Reading is considered a valuable habit with schools and parents trying to kindle the passion for reading among kids. If the present generation of readers prefers a luminous screen instead of reading from a paper book, so be it. An important hobby is now available on a screen. Whatever the media, the habit of reading is bound to produce better citizens.

The big data collected from E-books is expected to help publishers wean readers away from distractions posed by social media and games. The E-reading data will help publishers cater to the reading audience. Amazon collects data on customers' reading habits while many publishers and digital book retailers keep tabs on reading habits, books purchased, profile of customers and so on.

Many E-book publishers gain permission from users to store information from devices, like the last page read, favourite parts of story, highlights, annotations, time taken to finish a book and if reading was dropped in between. Publishers can compile results of highlights made by scores of readers to get a taste of what readers love.

Publishers like Barnes & Noble are deriving insights into customer reading behavior. The company's Nook E-reader reveals facts like reading speed and how far a book is read to help authors create more interesting books. Nook E-readers sales is encouraging which the company wishes to leverage. Using special analytics, publishers assess reading patterns of groups of people and not individuals giving rise to collective intelligence.

Data shows that when buyers read the first title in a series they end up reading all available books of same series. Also non-fiction work is not read continuously but

Continued on page 47

CIOs in Asia Give Priority to BI, Mobile and Cloud

BY CHUNG -YEON CHO

The 2012 Gartner Executive Programs (EXP) CIO Agenda survey indicates that CIOs in Asia now give more importance to business intelligence and analytics, mobile technologies and cloud computing.

Gartner thinks that Asia and the rest of the world are becoming one as the priorities of CIOs in Asia are becoming more closely aligned with those of their global counterparts.

CIOs are especially combining analytics with other technologies for creating new capabilities, and this combination has given birth to several offerings such as analytics plus supply chain for process management and improvement; analytics plus mobility for field sales and operations; and analytics plus social for customer engagement and acquisition.

All these efforts are being made by CIOs in Asia to push their companies forward with growth, bringing their attention to the cost structure, people and processes. Although cost cutting has become important in the wake of a still-recovering economy, CIOs in this region are not giving too much importance to reducing enterprise costs and instead are focusing more on areas such as consolidation, standardization and streamlining of operations.

Asian CIOs also want to attract and retain new customers this year and are thus putting their attention on customer relationship management applications.

Apparently CIOs in Asia are on the right track as another report from hosting and cloud services provider Parallels shows that the Asia-Pacific small and medium business (SMB) cloud services market opportunity in 2012 is worth US\$7.6 billion.

Looking forward, this market will grow 38 percent annually (CAGR), and reach US\$19.8 billion in 2015.

The average IT budget has also increased for the CIOs in Asia and about 60 percent of the respondents expect an increased budget this year. Of those surveyed, 28 percent expect their budget to remain flat and 15 percent said their budgets would decrease from the last year.

Findings of the 2012 Gartner Executive Programs (EXP) CIO Agenda survey are based on the responses from 2,336 CIOs across 44 countries and 37 industries. This survey includes 53 CIOs from China, Hong Kong, Malaysia, Singapore, South Korea and Thailand.

This year's survey also indicates that the average tenure of CIOs in Asia is 3.5 years and 58 percent of these professionals report to the CEO in their organization. About 60 percent of these CIOs' time is spent on IT related activities and responsibilities. The remaining 40 percent is spent on other business activities.

Although CIOs in Asia give priority to BI, mobile and cloud technologies, a study by CA Technologies reveals a lack of digital literacy amongst senior executives in the region, and this may affect business growth in the long run.

Senior-level digital illiteracy may result in many other negative factors such as loss of business and investment opportunities, slow time to market and poor competitiveness.

"Asian business leaders today have largely accepted that IT has a role to play in enhancing the competitiveness of businesses. For IT to be truly transformational to businesses, leaders need to elevate the role of CIOs to be more strategic than operational," said Lionel Lim, president, Asia-Pacific & Japan, CA Technologies. A-P

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FROM PAGE 40

Potential of Investment in Power Sector in India

It is clear that the Indian government is doing its bit and has proposed reforms to improve the efficiency of the state electricity distribution companies. Reforms have been introduced to improve the power situation and plans are discussed to overcome the shortage of coal supply. Plans to improve the power situation were stepped up after the country was left in a lurch due to two blackouts in July of 2012, highlighting the loopholes in this sector. Indian currently requires about \$247 billion to reach its target of increasing generation capacity to 288 gigawatts by March 2017, according to the Wall Street Journal. Other sources of energy are also being evaluated and we can now see a definite shape of the Indian solar and nuclear industry. The nation is continuously working towards removing the energy deficit and expects the private sector and foreign companies to make relevant investments in the power industry. In addition to removing dependency on imported goods, the nation is focusing on the development of alternate energy resources and in future may be able to solve issues such as theft of electricity and charging more for services from power customers. India needs to find more investors such as the Muthoot group and GE that have trusted their money with the state of Tamil Nadu and Maharashtra. Foreign investors may also trickle in slowly if the government promises the companies better working environment and easy commercial policies.

Investors may show more interest in alternate sources of energy such as solar power as studies indicate its bright future in the country. Investments in alternate sources of power will reduce the import of raw material, give a green environment to live in and remove the gap between demand and supply of energy. Looking forward, the country may also see the entry of more foreign distribution franchisees to enter the electrical equipment industry provided the government agrees to revise the current prohibitive tariff. Friendly trade policies will attract more foreign investors in the electrical equipment market who have a high earning potential through export to countries such as Africa, Malaysia, Indonesia, Sri Lanka, Bangladesh and Vietnam. A-P

Growing Diversification of Raw Materials Used in Cosmetics

BY SHAMILA JANAKIRAMAN

From time immemorial human beings have displayed an innate desire to be attractive. If natural looks are not enough there is always a plethora of cosmetics to rely on. The overactive cosmetics industry makes us believe that we have a skin type of A, B or C and a hair type of X, Y or Z and that we need a special kind of soap or shampoo. Over and above that we are tempted to splurge on cosmetics for the eye, fingers, lips, feet and so on.

Whether these cosmetics make a person beautiful or not they succeed in boosting one's morale, giving greater confidence to face the world although it leaves one's purse lighter. The same personal care or cosmetic product keeps appearing and re-appearing with different names, colour, packages and fragrances, and with added capabilities, like smudge-proof lipstick and quick dry nail polish etc.

Perfumes, cosmetics and colors for the eyes and lips have been in vogue in the ancient civilisations of India, China, Egypt and other regions. A few hundred years back people used homemade cosmetics which were soon replaced by providers who took up the task of making and selling various concoctions and publishing fashion books. Soon manufacturers became more large scale and global.

Manufacturers and advertisers join hands to serve the public, sometimes in unethical ways. The marketing budgets of cosmetic majors are astounding as seen from the illuminated bill boards, print ads and TV commercials vying for our attention. There are so many different products, names, colors, fragrances, uses and rich varied advertisements.

However, cosmetic companies differ in everything except in the basic raw materials they use to concoct cosmetic preparations.

Similar cosmetic products gain a unique persona with branding but all of them are made with more or less the same ingredients. The major components in cosmetics are water, minerals (although not renewable), physically and chemically processed agricultural products, and some animal-related materials.

Some common ingredients include alpha hydroxyl acids as exfoliants and preservatives; alkalis as buffering agents to normalize Ph levels; anionic surfactants to make lather in shampoos and bubbles in bath



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liquids; piroctone olamine as a non-toxic material for anti-dandruff shampoos; anti-oxidants as skin rejuvenators and so on. Butters with natural oils, proteins and fatty acids are used to make creams, lotions and balms while cationic surfactants are used in conditioners, cleansers and shower gels. Volcanic ash and clays are added in soaps to detoxify, heal and rejuvenate.

Vegetable Raw Materials in Cosmetics

Hydrolyzed vegetable proteins are as good as animal proteins like collagen and keratin and are derived from rice and other vegetable matter. Hydrogenated lanolin is also used widely. Vegetable extracts, vegetable oils, and vitamins are used to make surfactants, preservatives, hair-care products and functional products like sun filters. They also add flavours, fragrances and exotic colours.

Proteins are major constituents of cosmetics and are derived from fungi and algae. Wheat and corn gluten, soy, rice and oat protein concentrates, and defatted oil-seeds (peanuts, almond, sunflower) are also rich sources of plant protein. Wheat gluten is a cereal protein with high elasticity when hydrated. Soy proteins or globulins act as gelling and emulsifying agents in cosmetics.

Ammonium chemicals are added to proteins to make conditioners which help bind damaged hair and reduce frizziness. Protein-fatty acid condensates feature eye and skin tolerability and are used in mild shampoos and soaps. Proteins are used widely in the manufacture of emulsions, lotions, gels, and powders and in making several skin and hair care preparations.

Vegetable oils are used in traditional personal care formulations like hair oil and body massage oil and colour cosmetics. Natural oils enhance cosmetics as they are made of fatty acids similar to what is present in humans, hence the benefits are more than what is offered by synthetic compounds. As emollients they improve skin hydration, skin smoothness and reduce skin redness due to irritation.

Rich in essential nutrients for the skin like Vitamin E and essential fatty acids (EFAs), vegetable oils are important constituents of personal care. Although we get EFAs from various foods, it is better to apply them directly to the skin as part of a moisturizing cream or lotion. Sweet almond oil, passion flower seed (maracuja) oil and sesame oil act as carrier oils used widely in aromatherapy and pigment dispersion. Eve-

ning primrose oil is also used in the treatment of eczema.

Vegetable oils are ingredients in lipsticks, lip-glosses, lip and eye liners, foundations and moisturizers besides being used in powdered eye shadow formulations to prevent eye irritation. Vegetable oils are made by the cold pressing of seeds or nuts. Even seeds of watermelon, cranberry, grape, hemp, avocado, camellia, rosehip, macadamia nut, strawberry and cucumber are used.

Vitamins augment benefits of cosmetic products as they enhance biochemical functions. They act as anti-oxidants, cell regenerators and as catalysts to maintain biological functions of the skin. Vitamins and minerals obtained as fruit extracts offer original nutrients to add in skin and hair care products. They provide natural colouring and natural fragrance also.

Arrowroot powder and cornstarch, a silky powder, act as thickeners in moisturizers and water-based products. Hydrophobically modified corn starch makes cosmetics smooth and hence is used in lip care products, moisturizers, talc and body powders. It absorbs body moisture and facial oil without whitening the skin.

Oat starch, a white powder, has the anti-irritating attributes of oats and is absorbent, hence it finds application in body and facial powders to absorb oil and lighten cosmetics.

Mineral-based Raw Materials

Minerals like nontoxic iron oxides are present in tint blushes, eye shadows and foundations. Kaolin clay, having hydrated aluminum silicate, comes in a range of colours from white to red. White Kaolin clay has low absorption, is non-drying and does not absorb skin oils. Clay minerals give a good spa experience as they ensure good health and are known to detoxify, heal and rejuvenate. Clay is a good replacement for synthetic colours in soaps.

Magnesium stearate is a dusting additive and is used for its anti-caking, binding, thickening and gelling properties to give slip and adhesion to mineral makeup. Mica powder, a silicate mineral, is used to give a shimmering effect as is needed in eye shadows, blushers and lip colors. They come in a plethora of colours and can be tinted with oxides and other colorants. Yet another mineral is titanium dioxide, a whitening agent, sun protection agent and concealer, and it is used to whiten eye shadows and powders.

Sea weeds are living organisms that are rich in minerals which act as skin regenerative agents. Muds and volcanic ash make good body treatment cosmetics used in spas. The high mineral content of sea products, and sulfur found in volcanic mud and ash keep skin problems away and also help regenerate complexion.

Animal-related Raw Materials in Cosmetics

Raw materials of animal origin without involving killing of animals include such

things as beeswax. Naturally derived waxes offer protection, emolliency, and consistency-building properties and hence are used in skin and hair care products. Beeswax, palm wax and paraffin wax come under this category.

Proteins from animal sources include collagen, elastin, keratin, milk, reticulin, fibronectin and silk (from silkworm). Also raw extracts from animal tissues like thymus, placenta, heart and bone marrow are used in cosmetics. All animal protein preparations involve several inactivation procedures to remove viral and bacterial contaminants in order to eliminate disease-causing agents. Some countries have banned the use of certain animal parts to prevent spread of infections.

Lanolin, a waxy substance, is produced by sheep and other woolly animals to repel moisture from their coats. This makes it an emollient in cosmetic applications and is added in lipsticks and lip colorants as it offers good slip and color transfer.

Stearic acid, a fatty acid derived from both plant and animal sources, is employed as a thickener in cosmetics, moisturizers and other skin care products. Hair spray, conditioners, deodorants, and creams also contain stearic acid. Similarly oleic acid is used in

soaps, shampoos, air dyes, lipsticks, etc.

Animal-related materials are sourced from rendering installations from where ingredients used in a number of products are obtained. Cosmetic products that may contain such ingredients include soap, hair dye, and nail polish besides other non-cosmetic ones too.

Owing to the favourable technical and cosmetic performances of vegetable proteins when compared to traditionally used animal proteins, such as collagen and keratin nowadays most cosmetic companies use only plant-based raw materials and have also eliminated use of animals for cosmetic testing purposes.

Silk obtained from silk worms is added as powder which reflects light and gives a sheen. Silk contains 18 amino acids that can be absorbed easily by the skin. It also reflects UV rays. Silk powder “breathes” and is oil absorbent and hence is used to make cosmetics for oily skin. It is a natural moisture-adjusting product that can absorb or release moisture with changes in temperature and humidity.

Pearl powder obtained from pearls of oysters absorbs oils and makes skin smooth with a glow besides filtering the sun’s rays. With 20 amino acids it is an effective mois-

turizer and it helps renew skin cells. It controls melanin production and hence prevents pigmentation.

Whatever the source, whether plant, animal or mineral, a cosmetic is expected to keep a person fresh and glowing through the day. The cosmetics industry being highly competitive, companies are constantly being forced to differentiate and create various cosmetics using different ingredients and sources. Besides spending on product promotions, cosmetic majors also spend a lot on research and development efforts. ^{A-P}

FACTOIDS:

Natural oils enhance cosmetics as they are made of fatty acids similar to that present in humans; hence the benefits are more than what is offered by synthetic compounds. Clay minerals give a good spa experience as they are known to detoxify, heal and rejuvenate.

FURTHER READING:

- shop.newdirections.com.au/Raw-Materials-Cosmetic-Ingredients
- www.nicnas.gov.au/current_issues/cosmetics.asp

FROM PAGE 44 | E-Books Bring About a Renaissance in Reading

novels are devoured in one full go. Non-fiction ones seem to hold less interest while science-fiction, crime-fiction and romance are all time favourites in print or online.

The information gathered from big data on E-reading habits gives the knowledge that people prefer shorter works and hence readers were offered ‘Nook Snaps’ which are short passages on interesting topics. Also if publishers can get an idea of when a book becomes boring, they can insert a video, Web link or picture to keep the interest going. Also they can find out if a fiction series is still holding on to audience interest or not and accordingly make amends.

Advantages to Publishers

Like showcasing movie trailers to read the audience pulse, some publishers are launching digital test books before the actual book launch. Some, like Sourcebooks, get reader feedback to incorporate into the print version. Scholastic book publishers developed message boards and interactive games which let them track if stories and the characters are loved by young readers or not. The online feedback has helped the company hit it big with its “39 Clues” series. Designing a book according to reader tastes after publishing the printed version is a big impossibility. The book is either a hit or a miss.

Another digital publisher lets readers choose the story line and characterization. The ideas offered by prospective readers are passed on to authors who can alter story

lines in future versions. This kind of engagement data is used to create algorithms like in gaming software which allows readers to choose different ways in which a story can progress. Even characters, their appearances, mannerisms and scene settings can be picked by the reader.

Previously editors, agents or publishers conveyed what they thought readers desired to authors. Now authors are getting direct feedback from the audience which is more credible. And now the author knows if his or her book was bought and read fully or dumped midway.

E-book Readers

Some E-book readers feel that their privacy has to be respected but they don’t have an option as they can’t stop prying publishers away from tracking their reading habits. Some sort of control has to be enacted to prevent retailers from sharing customer information on what E-books were bought, by whom, what was highlighted and so on. As all details on digital reading are almost public, it may deter readers from accessing books on personal matters which they may not want to reveal. Millions of E-book readers may find themselves vulnerable to publisher queries.

Digital companies are also making hay when the sun shines. E-reading services which help readers purchase and store books in a E-library have incorporated reader tracking software which keeps track of

all demographic reading data, including the number of times a book was downloaded and read. Reader involvement with certain books and genres can be understood. Such data is very useful for publishers. The software employed compiles the data so that individuals are not revealed.

Although many may argue that reading a book with the smell of paper and printing ink wafting into the nostrils is a pleasure in itself, E-books are here to stay and will make a lasting impression on all young readers who prefer staring at a screen. But book lovers, who read for the love of reading, will still prefer a place under a shady tree to read their favourite novel with no charging device attached. The suspense of what is in the coming pages beats ^{A-P} reading what was designed to your liking.

FACTOIDS:

1. The data collected from E-books is expected to help publishers wean readers away from distractions posed by social media and games.
2. As all details on digital reading are made almost public it may deter readers from accessing books on personal matters.

FURTHER READING:

- libguides.mit.edu/ereadingFAQ
- online.wsj.com/article/SB10001424052702304870304577490950051438304.html

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FROM PAGE 38

China's Auto Industry

with engine sizes of less than 1.3 litres. This is not the first time the Chinese government has tried to support the rural community, as back in 2009, farmers were offered incentives to buy automobiles.

Yet there is a lot to look forward to as industry analysts have predicted this market to beat the U.S., Japan and Germany in 2015. The China Association of Automobile Manufacturers is also very optimistic about the automakers in the nation and it has forecasted the combined sales of auto, SUV and light truck sales in China to be about 20 million units in 2012.

A few domestic companies in China are also doing well in this fiscal year. China Automotive Systems (CAAS), a large power steering manufacturer in China's domestic market, export products to North America and supplies power steering components and systems to China's automotive industry. Despite the dismal performance of the entire auto industry, CAAS did well in the months of August and September and the company attributes this to the sales orders it receives from its Western clients.

China is also set to welcome new entrants in the automobile industry. Qoros Auto Co., a startup carmaker, is planning to invest about US\$2.5 billion to produce 150,000 units of a sedan in China next year. The company is a joint venture and will begin operations at a factory in Changshu, near Shanghai.

"The world does not need another car factory," Volker Steinwascher, vice chairman of Shanghai-based Qoros told Bloomberg News. "If somebody had the idea of doing the same thing outside of China, I would say it would be very difficult. But the situation in China is different."

Steinwascher believes in the potential of the Chinese automobile market and expects growth through first-time buyers who don't have any particular preference to brands. However, Qoros will also have to compete with the 93 auto brands currently available in China and struggle against a new norm by the government, which recently limited auto sales in Guangzhou. This move was made to reduce the rising pollution in China and reduce congestion on the road. The cities of Beijing, Shanghai and Guiyang are already following this norm and the addition of new city will further pressurize on the automakers that are already challenged by the weakening Chinese economy.

Despite all these restrictions and the present condition of the economy, automakers see China as a high potential destination because of its population and high number of people without a vehicle. **A-P**

Asia-Pacific Undergoing a Digital TV Boom

BY JIN- SUK YANG

Asia-Pacific is set to experience strong growth in digital TV subscriptions and will see a penetration increase from 36 percent in 2011 to 83 percent in 2017, according to a new report from Digital TV Research.

Thanks to their more than 1 billion populations, both India and China will have a significant influence over the region, and together they will provide 541 million digital TV homes by 2017.

Digital television (DTV) is a very innovative type broadcasting technology that brings clear pictures and excellent sound quality to the TV. As compared to analog broadcasting, DTV is considered to be more efficient and more flexible. Furthermore DTV technology also has the capabil-

ities to deliver future interactive video and data services, whereas analog technology cannot provide the same.

"Despite the rapid conversion, digital TV will still have plenty of room for growth for some time to come. Only half of the countries covered in this report will have fully converted to digital by 2017," said Simon Murray, author of the report 'Digital TV Asia Pacific 2012'.

"By then, Indonesia and the Philippines will still have analog penetration of 70 percent and 64 percent respectively. China will have 24 million analog homes and India 57 million."

Khin Sandi Lynn, research analyst at ABI Research, also predicts that the overall Asia-Pacific digital cable TV subscriber base is expected to reach 213 million by the end of 2012.

The global pay-TV subscribers will reach 858.1 million at the end of 2012, up 5 percent from last year, despite a decline in the North America pay-TV market in 2012, according to market analyst ABI Research.

ABI Research says that the strong growth in digital TV subscriptions is mainly driven by the on-going digitization process in countries such as India. The Indian government has decided not to extend the deadline set for cable digitization of 12 million homes in the four metro cities beyond October 31, 2012. **A-P**

FROM PAGE 41 | Samsung's Profile in Southeast Asia

Samsung phones, in order to gain from legally awarded damages.

Coco Domingo, head of the product marketing group of Samsung, stated in an interview with reporters that the patent war between Samsung and Apple in the

US has a very minor effect in the company's operations in Southeast Asia. He also emphasized that whatever is happening in the US will not have any affect and that the company will continue to do well in Southeast Asia. **A-P**



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NEW & NOTABLE

Commitment to Development Index 2012

Interview with Mr. David Roodman

BY JEON -DONG HEE

David Roodman is a senior fellow at the Center for Global Development. Roodman has been the architect and manager of the Commitment to Development Index since the project's inception in 2002. The Index ranks the world's richest countries based on their dedication to policies that benefit the 5 billion people living in poorer nations; it is widely recognized as the most comprehensive measure of rich-country policies towards the developing world.

Roodman's widely praised book *Due Diligence* confronts questions about the impacts of microfinance and how it should be supported. He wrote the book through a path-breaking Microfinance Open Book Blog, where he shared questions, discoveries, and draft chapters.

Roodman previously worked at the Worldwatch Institute, where he wrote three monographs on environmental issues, and one on debt, titled 'Still Waiting for the Jubilee: Pragmatic Solutions for the Third World Debt Crisis'. He authored the book 'The Natural Wealth of Nations: Harnessing the Market for the Environment', and he graduated magna cum laude from Harvard College with a degree in theoretical mathematics.

Q: Can you please introduce us to the Center for Global Development? What is the main mandate of the center? Please tell us about the recent main projects undertaken by the center.

A: The Center for Global Development (CGD) works to reduce global poverty and inequality through rigorous research and active engagement with the policy community to make the world a more prosperous, just, and safe place for us all. CGD conducts independent, high-quality research and analysis on a wide range of topics related to how rich country policies impact people in the developing world. These include: aid effectiveness, education, globalization, health, migration, and trade.

The policies and practices of the rich and the powerful—in rich nations, as well as in the emerging powers, international institutions, and global corporations—have significant impacts on the world's poor people. We aim to improve these policies and practices through research and policy engagement to expand opportunities, reduce



inequalities, and improve lives everywhere.

By pairing research with action, the CGD goes beyond contributing to knowledge about development. We conceive of and advocate practical policy innovations in areas such as trade, aid, health, education, climate change, labor mobility, private investment, access to finance, and global governance in order to foster shared prosperity in an increasingly interdependent world.

Among our more recent active initiatives are the 2012 Commitment to Development Index, Carbon Monitoring for Action, migration as a tool for disaster recovery, and biometrics research.

Can you please explain the Commitment to Development Index? How it is reached? What are the important areas which are taken into account?

The important idea of the Commitment to Development Index is that all nations of the world are linked in many ways—through trade, investment, the environment, military affairs, technology and ideas, and more. Wealthy nations such as Korea and the United States should help poorer countries develop by working through all these channels. In general, it rewards greater connections: more foreign aid, trade, and investment; more openness to immigration, more participation in international peacekeeping operations, fewer restrictions on the use of patents and other intellectual property. But it penalizes pollution of the atmosphere and depletion of ocean fisheries.

What are the main findings of the Commitment to Development Index 2012?

One big message is that helping poor nations is about much more than foreign aid. Trade, environment, and other areas matter at least as much for helping to spread prosperity. Also, the winners of the CDI can be proud, even though they are barely average in policy categories. This means that even the best can do better, and that all countries have much room for improvement. This is especially true for large economies such as the U.S., France, Japan, and South Korea, all of which rank in the bottom half of the CDI. Thus the countries with the most potential to help development, because of their economic power, are doing the least to realize that potential.

How many countries are included in the index? What is the criteria for inclusion of a country?

This year there are 27. Almost all, such

as Korea, are members of the Development Assistance Committee in Paris, which is the official group of aid donors. We also added some eastern European countries such as Poland, because they are supplying data that we need to the DAC.

Which are the top three countries in the index? What are the main factors contributing to this top position?

The top countries—Denmark, Norway, and Sweden—are all from Northern Europe. These countries are small and ethnically homogenous, so I think that trust in government is high there. People feel that their representatives in parliament are just like them. The result is strong social welfare state domestically. That gets translated in foreign policy into large aid budgets. These countries spend about 1 percent of GDP on foreign aid. The United States spends only 0.2 percent and South Korea only 0.1 percent.

South Korea is very low in the Commitment to Development Index 2012. What are the reasons for this low ranking?

South Korea ranks last on the CDI, just behind Japan. Both countries have more inward-oriented, insular policies than the other 25 countries. A big factor is that Japan and South Korea block almost all imports of rice from poorer countries such as Vietnam and Burma. Also, the two countries do not accept many immigrants from developing countries, which means fewer people can come to work, earn money, and send it home to their families. Also, they give little foreign aid for their size and participate very little in international peacekeeping.

What does South Korea need to do improve its ranking in the index then?

The biggest thing it can do is allow more imports of rice from other countries. If Korean consumers don't want the rice, that's fine. But the government should allow consumers to decide. In Japan, consumers are starting to show more interest in foreign rice.

Finally, what do you think are the most important steps the world must take to reduce the growing gap between rich and the poor?

In the long run, the biggest challenge is slowing climate change. Wealthy nations must lead the way in building an energy economy that is more efficient and that relies more on the wind and sun for power. We also need to reduce our consumption of beef and tropical timber, both of which cause high greenhouse gas emissions. One key to this will almost certainly be policies that raise the price of climate-damaging activities. Currently, South Korea has a nearly 100 percent tax on gasoline, which is good. Other forms of oil and coal and beef should be taxed too. And other nations, notably the United States, must pursue similar policies in cooperation. [A-P](#)

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