

**Australian Political Exchange Council (APEC)**  
**Visit to South Korea**  
**June 25<sup>th</sup> to July 1<sup>st</sup> 2011**

**Introduction**

An exchange program between the Republic of Korea (South Korea) and Australia has long been considered to be very beneficial for both nations and such a program was first initiated in 2005, when a visit of a delegation from South Korea occurred in August and a return visit to South Korea was conducted in October of that year.

Unfortunately, after these initial visits, the APEC's partner in South Korea was unable to continue to assist, so the program lapsed.

The program was reinstated in 2011 following agreement being reached between the APEC and the Korea Foundation (KF).

The first delegation to take part in the reinstated program travelled to South Korea between 25 June and 1 July 2011, and consisted of:

- Senator David Bushby, (Liberal, Tas) (Delegation Leader)
- Mrs Yvette D'Arth MP, (ALP, Qld)
- Mr Darren Cheeseman, (ALP, Vic)
- Mr Daniel Bevan, (Liberal, Vic)
- Ms Victoria Jackson, (Liberal, WA)
- Mr Steven Oliver, (National, Vic)
- Ms Deb Lewis, (Director, APEC)

The timing of the visit was fortuitous as it occurred during an Australia-Korea Year of Friendship as part of activities marking the 50th anniversary of Australia's diplomatic relations with South Korea.

All members of the delegation found the visit to be extremely worthwhile. It was the first visit to South Korea for each of us and the visit drastically increased our knowledge and understanding of the achievements of the South Korean people and the strong economic relationship South Korea has with Australia.

But further than this, the exchange enabled us all to more fully appreciate the similarities in the respective challenges and opportunities the two nations face in the early 21<sup>st</sup> Century, as democratic 'middle powers' in the Asia-Pacific, with a range of common economic and security interests.

The delegation's visit was extremely well organised and suitably rigorous in its itinerary, with the delegation receiving excellent high level support and access across the political, industrial and cultural spectrum whilst in South Korea.

In that regard, all members of the delegation wish to pass on their sincere thanks to the KF for its outstanding organisation and program and to the APEC for providing each of us the opportunity to participate in this visit. Between the two

organisations, we all found that the visit was not only informative and educational, but also a pleasure.

### **Friday 24<sup>th</sup> June**

“Briefing Day” Canberra

The visit commenced with a little confusion due to a fire in the hotel at which we were to receive our pre-visit briefing. The APEC solved the challenge in its usual efficient manner and the briefing commenced on time at an alternative venue.

The briefing day is a vital part of the preparation for such an exchange.

The APEC arranged an impressive group of presenters who collectively were able to provide delegates with a strong background understanding of South Korean current affairs, politics, culture and economic development.

The net effect is that each of us headed to South Korea that evening far better equipped to interact with the political, industrial, educational and other South Korean representatives we were to meet throughout the visit and to better understand the issues that were being raised as we travelled through South Korea.

Presenters included:

- The Korean Ambassador to Australia Dr. Woo Sang Kim who provided a passionate account of the Australian/Korean relationship and the prominence of South Korean Chaebol's (major international conglomerate companies) and the role they have played in the development miracle that has been evident in South Korea over the last 50 years,
- Emma Campbell (ANU PhD student) who informed us about the cultural information, political landscape, external relationship with North Korea, China & Japan and some information on the food and drink culture, and
- The Department of Foreign Affairs and Trade, which briefed the group on the Australian/South Korea relationship.

### **Saturday 25 June :**

#### *The Korean War/Demilitarised Zone*

Arriving in a wet Seoul mid afternoon, the delegation was met by Mr Kim Byung Kon from the KF (our guide for the tour), Anthony Skews (Department of Foreign Affairs and Trade) and Chris Smith (Australian Embassy military attache) before heading directly to the De-Militarized Zone (DMZ).

The trip from the airport to the DMZ took about 1 hour and we were briefed on the way about the role Australia plays in South Korea with UNCMAC, a brief history of the current state of the conflict between South and North Korea, recent and not so recent incidents at the DMZ and the current level of tension.

I think it is fair to say that prior to the trip, few of us had any appreciation of the fact that the Korean War never actually ended, with no more than an armistice being concluded, albeit an armistice that has endured for over 60 years!

The journey also provided an opportunity for the delegation to learn about the flow of refugee's from North Korea and the routes they follow (mainly through the less heavily fortified North Korea/China border.

At the DMZ United States Lieutenant Colonel Eggers guided us through the on site museum which detailed events, history & roles played by various countries, including Australia's role as one of the first nations to come to the aid of South Korea during the Korean War.

Major events recorded at the museum included many incidents that had occurred in the DMZ since the armistice, including the notorious Axe Murders in 1976 and the requirement to now "lock down" the meeting room buildings after an incident in which North Korean soldiers attempted to drag a South Korean soldier into open North Korean territory whilst he attempting to lock the door.

We also heard of the families who still live in the DMZ as part of traditional communities who lived in the area prior to the war.

The DMZ itself is green and lush and does not accurately invoke images matching those of the tensions that still exist in the area. Due to the fact that it is largely unpopulated, it has developed into quite a wildlife sanctuary.

Our tour of the DMZ as the first item of the visit was appropriate. What it served to do was to underline the fact that all South Koreans, especially those of Seoul which is just 20 odd kilometres south of the North Korean border, live constantly under the threat of military attack.

We were told of the tens of thousands of missiles on the North Korean side of the DMZ which are constantly trained on Seoul and other parts of South Korea and the reality that if they were to be used in anger, many would arrive before any opportunity would exist for people to move to safety.

The DMZ visit highlighted the fact that the Korean Peninsula has for many decades and remains one of the most heavily fortified regions of the world and that the threat to the economic and social miracle we were about to witness that is South Korea, remains real and extremely close.

This DMZ tour also highlighted how the Australians had endeared themselves to South Koreans during the Korean War and this positive perception of Australians was reinforced in many discussions which were to take place over the ensuing days.

### **Sunday 26 June:**

#### *Korean Culture*

The delegation toured the National Folk Museum which displayed many items demonstrating the Korean Peninsula's rich cultural fabric and political history. This was highly educative as it served to underline the long history of the Korean people and reinforced our understanding of the distinct Korean culture and identity.

As part of the Australia-Korea Year of Friendship, the Seoul Museum of Art was participating in a Korea-Australia Exchange Exhibition and had on display, the Australian Digital Art Exhibition. As the name suggests, this exhibit utilises modern digital media to present current views of modern Australia and included an amazing 3D presentation of a number of Australian cities and the open cut mines of Western Australia, as well as many other innovative uses of digital media in art.

The delegation was also treated to a performance of a traditional Korean musical "MISO" – dance & drums with no speaking, told the story of a traditional Korean love story, again helping to increase the delegates understanding of the rich Korean culture.

The day concluded with a visit to the N-Seoul Tower, which helped delegates to appreciate the enormous geographical size of Seoul city (the greater region is over 20 million people and Seoul claims to be most populated city on Earth).

### **Monday 27 June:**

#### *Political System*

The start of the working week provided the opportunity for the delegation to learn more about South Korea's political system and parties.

It has a Presidential system, with a separately elected 'congress' known as the National Assembly. Voting is non-compulsory, but participation is high.

South Korea's history as a democracy is fairly short. But in 2011, it is one of the world's most robust and active democracies, with an extraordinarily high level of participation by its citizens in political issues and political parties.

However, even though it is today one of the best examples of a successful (relatively) new democratic nation, it was a bumpy path that led South Korea to where it is now.

Some of the history behind South Korea's journey was outlined to the delegation as it toured the South Korea National Assembly (its parliament) and the National Library.

The delegation also met with the National Assembly Budget Office (NABO) which discussed their process and operation and the contrast to the way the Australian system works.

This was particularly relevant to parliamentary members of the delegation due to then impending legislation to implement a similar Office in Australia.

Meetings also occurred with Young Leaders from the Grand National Party (GNP) (Ruling Party) and the Floor leader of the Democratic Party (DP) (Opposition Party).

The GNP were preparing for their Annual Conference as National Assembly and Presidential Elections are to be held in 2012.

The 2012 elections together with some local government elections (which were underway whilst the delegation was in Seoul) were understandably leading to lots of campaign activity and internal political manoeuvring as the respective political parties moved towards getting their candidates in place. The undercurrents of this activity were apparent in just about all meetings the delegation had with political representatives.

Meetings with political representatives also helped delegates to understand the differing approach to key policy issues taken by each of the major parties.

Key policy issues that were readily apparent from discussions with all political representatives were the relationship with North Korea and the costs of the South Korean education system.

The delegation was honoured to meet with the Speaker of the National Assembly, Hon. Park Hee Tae. This meeting allowed us and the Koreans present to explore the roles of the Speaker in the National Assembly and contrast this to the similar position in the Australian system.

A long day was finished with a dinner meeting at Philkyungjae (a restaurant in a traditional Korean residence built in the 1400's) and hosted by the President of the KF, Dr. Kim Byung Kook.

Dr. Kim provided amazing insight into examples of Korean success as well as some of the challenges facing South Korea into the future. Dr. Kim was a very engaging and impressive figure, very thoughtful and expressive, whilst giving very balanced and incisive answers to the many questions asked of him.

The evening was a perfect opportunity for delegates to explore and expand upon the issues and insights they had been exposed to, or had, over the preceding days.

## **Tuesday June 28th**

### *Defence*

As was impressed upon delegates by the visit to the DMZ upon arrival in South Korea, there is one vastly important issue that constantly weighs over South Koreans and this was evident throughout the visit.

The presence of a hostile nation just over 20 kilometres north of the centre of your major city and constant tensions and potential for escalation of those tensions at very short notice, is a difficult environment for Australians to understand.

The tour of the Korean War Memorial assisted us to appreciate the history behind the creation of South Korea as the nation it is today, with the security challenges and alliances it now faces and enjoys.

We were treated to detailed accounts of the many battles fought throughout the war as well as gaining a better understanding of the involvement of the Australian

troops in the conflict. Seventeen thousand Australian soldiers, sailors and airmen fought in Korea under a UN flag, 340 died, more than 1200 were wounded and 30 became prisoners of war.

We were also honoured to be provided a meeting with the South Korean Minister for Defence. Again, much was spoken of the importance of the ongoing strong alliance first formed with Australia through the war and how this had fed into the formation of the friendships and admiration felt by the Koreans for the Australian people.

### *Education*

Another key policy issue that was evident throughout much of the visit was that of education. There were two main strands to this issue. One was the extent to which the Government (taxpayers) should subsidise higher education. The second was the extent to which South Korean pre-tertiary students relied upon private out of hours tutoring for their education rather than their official schooling.

A meeting with the Korean Education Development Institution (KEDI) assisted us to better understand the issues in relation to education in South Korea.

KEDI explained its role in providing advice to the Government as well as an overview of the way the South Korean education system operates.

Given the delegation had heard that the South Korean Education system is a major driver of the country but now appears to be facing major issues, the KEDI meeting allowed delegates to explore where South Korea may be heading in terms of addressing the future challenges.

### *Economy*

In addition to the security issues with North Korea (and to a significant extent, the looming presence of China), the other single over-riding impression that delegates were left with from the visit, was that which has been termed 'The South Korean Economic Miracle'.

The fact that South Korea is the only one of the world's nations that has gone from being a net recipient of foreign aid, to a net contributor of foreign aid is astounding and a real credit to the South Korean people, its government and its industry.

Our first direct taste of the industrial complex that has developed as part of that miracle was delivered through a visit to Samsung D Lite, a showcase of the current and future capability of one of the largest of South Korea's industrial conglomerate companies, known as 'Chaebol's'.

A briefing by the Australian Embassy at this stage of the visit was timely, as it provided an opportunity to seek feedback from an official Australian perspective on many of the issues we have been exposed to and to put these in context.

It provided a valuable insight into not only Australia's dealing within South Korea but also into how South Korea manages its relationships with neighbouring nations and what drives these.

A dinner meeting hosted by the Australian Ambassador Sam Gerovich allowed delegates to interact with a number of ex-pat Aussies now living and working in South Korea.

The discussion often returned to the importance of the Free Trade Agreement, currently being negotiated, to allow easier operation of business between Australia and South Korea.

### **Wednesday 29th June**

#### *Heavy Industry/Chaebol's*

South Korea's global corporate conglomerate multinationals have played a key role in the Korean Economic Miracle. Under the leadership of controversial President Park Chun Hee, industry policy in the 1960's and 1970's strongly favoured the development of large manufacturing corporations. This formula that worked well and is the single most important driver of South Korea's economic development since that time.

Today, there are several dozen conglomerates in Korea that are termed 'Chaebol's', many of which, like Hyundai, LG, Samsung and Daewoo, are worldwide household names.

The delegation travelled by fast train at speeds near 300km/h from Seoul to Ulsan in the south east of the Peninsula. The journey enabled delegates to catch glimpses of the rural area of South Korea. Of note was that any flat or near flat land was either developed with agriculture or populated with the enormous human overflow out of the capital cities.

The journey on the fast train was a great example of the benefits of integrated transport infrastructure, with trains running at short intervals across the country, placing South Koreans throughout the nation within hours of the capital. Of course, the relative size of South Korea makes this much more viable than it would in a sparsely populated nation like Australia.

Our first tour, of Hyundai Heavy Industries (HHI), saw the world's largest ship building plant on a scale which was difficult to comprehend.

Countless massive ships under construction, on a plant with over 44,000 workers was mind boggling. Aside from the end products, the details of how the company also provides housing for the workers as well as payment of their workers' children's education costs, highlighted why there is such strong competition to work for Chaebols. On site, Hyundai also provided a plant based hospital, as well as restaurants for the provision of meals.

Immediately following HHI we attended the Hyundai Motors vehicle plant. As one of the largest manufacturers of motor vehicles in the world, the scale of this plant (one of 6 across the globe) was staggering. The plant is capable of producing 2500 vehicles per day and provided a real insight into the relative size of the global markets.

The holding yards at their shipping docks were capable of holding 10,000 vehicles, as well as another 10,000 vehicles in another yard nearby. The production lines we visited ran like clockwork. Another 34,000 people worked at this plant.

The history of these Chaebol's was also explained to us, helping to put their development into context with the development of South Korea.

We were again honoured to be hosted by the Mayor of Ulsan City Hon. Bak Maeng-Woo to discuss the importance of the industrial sector within his city.

The Mayor was also keen to discuss the work done to reduce the environmental impact of the heavy industry in his region and the need for his city to be the major influence on these issues across South Korea.

The one and only social outing for the delegation followed with a trip to a Karaoke venue. Thankfully our guide Mr.Kim was also a handy vocal talent as many of the Australian delegation displayed why they were in politics and not the entertainment industry. A great night was had despite the level of talent.

### **Thursday June 30th**

POSCO (previously the Pohang Steel Company), is Australia's 2nd largest export customer and one of the leading steel manufacturers in the world. It is another of South Korea's larger Chaebols.

After the introduction tour and outline of the plant layout, we toured the plant, which utilises approximately 50/60% of Australian iron ore in the production process.

The complex is vast in scale and the delegation was shown the various areas that contribute to the overall production capacity, including the importing docks, the raw materials holding bays and plant itself. Travelling along the 1.2km conveyor (in incredible heat), we saw the initial steel slabs heated and rolled into the end products of steel rolls. Hot, dirty, but fascinating to observe and, again, the scale was staggering.

Most of the 16,000 workforce were not on the factory floors but involved in research and development or other technical aspects of the plant. Our guide was very keen to explain that re-cycling facets of the plants operations including that of the gases as a by-product of the enormous heating processes and of the water - 98% of which was recycled.

POSCO also hosts its own major league sports stadium on site.

After a quick flight back to Seoul we then attended a meeting with the Vice Chairman of the Federation of Korean Industries (FKI). Again, very timely following the visit to two of the larger Chaebols and the meeting permitted exploration of the role of Chaebols as well as many questions on the role small and medium enterprises play in the Korean economy.



A dinner was subsequently held at the POSCO building in Seoul, hosted by the President of the Korea-Australia Foundation Mr. Park Se-young. Another Korean dining experience was immersed in conversation about the role played by the 2 countries and the similarities experienced. The benefits of the South Korea/Australia relationships for both countries and the future opportunities which will arise in the future.

### **Friday July 1st**

#### *North Korean Human Right/Reunification*

At times throughout the tour, the issue of North Korean human rights had arisen and delegates had taken a keen interest.

In response to this, the Australian Embassy organised a non-scheduled breakfast meeting for on Friday morning with representatives from the Citizens Alliance for North Korean Human Rights.

This meeting enabled us to inquire into the circumstances and difficulties faced by the North Korean people under their current regime. Some disturbing accounts were discussed of North Korean life and even the life of defectors and their families.

Over the week we had many discussions about the possible reunification of the two Korea's and the problems that would be associated with such a reunification.

One of the biggest threats from North Korea is of the economy failing and the integration of some 20 million repressed and underdeveloped people (socially, educationally, financially, physically etc) into the South Korean developing nation. This threat is deemed the equal of the security threat which the South Koreans have faced for over 60 years and appears to have a real dividing influence on many discussions within the Korean people.

#### *Free Trade Agreement*

Our last scheduled visit was to the Hon. Min Dong-seok – 2nd Vice Minister of the Ministry for Foreign Affairs & Trade. There were a number of Free Trade agreements being considered by South Korea at the time of the visit, those being with the USA, the EU & then Australia. Each of these needed to be concluded in that order before moving to the next.

Whilst the Vice Minister was keen to see these progress he was also wary of some of the key items (beef in particular) which has capacity to be a political division within the Korean people. Delegates concluded the meeting felt like part of the negotiations on detail between South Korea and Australia and hoped that they secured strong outcomes for Australia!

### **Conclusion**

A full schedule of cultural, political and industrial visits, many questions raised and discussions held within the confines of the bus and a real sense of learning & achievement accompanied us as we left South Korea.

Delegates are all very grateful to the Australian Political Exchange Council, The Korea Foundation and all individuals involved in assisting us throughout the visit and its planning, for the opportunity which we each experienced.

The reality is that when most Australians look to north Asia, they see China and Japan. But in doing so, they miss a real opportunity to see what is a fabulous, thriving and vibrant nation that has stronger links to and is a better friend with Australia than most other nations in the world.

South Korea also stands out as a beacon for what can be done to grow what was one of the poorest nations in the world into a fully fledged member of the developed world. Hopefully other nations can follow its example and remove South Korea's mantle as the only nation to have ever moved from being a net recipient of foreign aid to a net donor.

To have achieved what the South Korean people have as a nation, whilst under the constant threat of hostile action from the north is especially praiseworthy.

The future relationship between Australia and South Korea is sure to only grow stronger as more Australians realise the value of our ties and links at economic, cultural and security levels.

All delegates of this visit look forward to playing a role in that future relationship and of building on the friendships and relationships formed as part of this exchange.