

# **Policy Recommendation for South Korea's Middle Power Diplomacy: Development Cooperation**

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Chung-Ang University

**February 2015**

## Knowledge-Net for a Better World

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## Policy Recommendation for South Korea's Middle Power Diplomacy: Development Cooperation

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Whereas the post-2015 era is full of uncertainties, the transition offers opportunities for South Korea as a middle power. Multiple cleavages among various stakeholders imply that any power, no matter how powerful, singlehandedly cannot reconcile the conflicting interests among them. Meanwhile, it indicates that the cleavage structure is not fixed but fluid as they tend to make coalitions for specific issues rather than forming and maintaining stable coalitions. This fluid situation offers Korea chances to establish itself as a middle power coordinating among various actors. However, the opportunity does not guarantee that Korea will be able to play a critical role as a middle power.

There are emerging factors that are clearly at work in creating the new world order of development cooperation in the 21st century: power shift, the complex nature of the global governance in development cooperation and national strategies of development cooperation policy. Underlying this dynamic of cooperation and competition is the power shift that is symbolized by the rise of China and the relative decline of the United States. As both countries seek to maximize their interests, the effects on the global architecture surrounding development cooperation has moved into a phase of rivalry.

In addition, as the global community moves toward the post-2015 era of development cooperation, conditions on the international stage are fundamentally different from when the Millennium Development Goals (MDGs) were originally formulated. There are a number of newly-emerging donors both state and non-state, as well as a clear rise in the number of non-DAC nations that are engaging in development cooperation outside the traditionally dominant OECD DAC framework.

Moreover, the complexity of issues has dramatically increased as areas that were once



viewed in isolation have become intertwined, calling for greater collective action and shared wisdom on finding solutions to these issues. Problem areas such as climate change, natural disasters, diseases, economic crises, are but a few examples in which the international community is being forced to find collective cross-sector solutions for. There is a growing acceptance among the development cooperation community that these cross-cutting issues cannot be dealt with by a single actor, therefore requiring greater collaboration among the diverse actors involved in development cooperation.

The current landscape of development cooperation needs middle powers to take more initiative and embrace an expanded role. This change also coincides with South Korea's ambitious launch of its middle power diplomacy strategy. Under the banner of "contribution diplomacy," the Lee Myung-bak government identified development cooperation as a crucial means to elevate South Korea's diplomacy to the next level. The Lee government claimed that it is time for South Korea to join international efforts to address global issues. Upon its inauguration, the subsequent Park Geun-hye government ambitiously launched its "middle power diplomacy" in conjunction with the Peace Process of the Korean Peninsula and the Northeast Asia Peace and Cooperation Initiative as its diplomatic goals. Development cooperation emerged as one of the promising areas for middle power diplomacy. That is, development cooperation and middle power diplomacy were combined to form an important pillar of South Korea's diplomacy.

The following outlines a set of recommendations to the South Korean government that it should employ in order to maximize the opportunities that the new emerging world order in relation to development cooperation has afforded it.

## **Policy Recommendations**

### **1. Korea Should Make Use of Its Middle Power Position to Help Reconcile Conflicting Interests between Stakeholders**

First, in order to materialize these opportunities, Korea should take advantage of its status as a middle power. The formation of the post-2015 agenda is inherently a UN process. Unlike the early 2000s, when advanced donors wielded extraordinary influence on the formation of the MDGs, Korea as an emerging donor has greater room to maneuver in the post-2015 era. The political landscape involved in the post-2015 era is much more complex than



the MDGs, which is demonstrated by multiple cleavages: donors versus recipients, traditional donor countries versus emerging donors, governmental donors versus non-governmental donors, and NGOs versus private companies.

Korea as a middle power is in a good position to reconcile the conflicting interests between multiple stakeholders. Korea has played a pivotal role in incorporating newly-emerging stakeholders in the community of development cooperation, which was demonstrated when delegations of emerging donor countries such as China, India, and Brazil joined the 4th High Level Forum on Aid Effectiveness in Busan. In the past, the community of development cooperation was divided between traditional OECD DAC members and newly-emerging non-OECD DAC countries. Most newly-emerging donors, in particular China, promote principles of non-interference, unconditional provision of aid, and reciprocity and equality in the name of “South-South cooperation.” However, in reality, the Chinese government tends to provide aid to developing countries in Africa and Latin America in return for natural resources and winning contracts for infrastructure construction. A diametrically different paradigm held by non-OECD DAC donors has created a serious fissure in the order of development cooperation. In this regard, by successfully inviting non-OECD DAC members to the Busan forum, Korea contributed to restoring and strengthening the global governance of development cooperation. Korea can build on this experience to manage conflicting interests between stakeholders. In doing so, Korea can serve as a bridging player between traditional and emerging donors.

## **2. Korea Must Move Past the Narrow Pursuit of National Interests in Promoting Universal Norms and Values**

In order to establish its status as a broker, Korea should pursue universal values and norms rather than narrow-minded national interests. However, Korea does not necessarily have to sacrifice its national interests to play such a role. Instead, Korea should find a way to make its national interests compatible with universal values and norms. Korea should seek “open and inclusive national interests” in the long-term. In the coming post-2015 era, building on its own experience of development, Korea should embody universal values and norms in its development cooperation policy.

For this task, Korea needs to develop and export an inclusive and dynamic model of economic development, which incorporates Korea’s past, present and future. While based on Korea’s past experience, this model should display the dynamic trajectory of how Korea initially developed its policies to fit its institutions. It should also demonstrate how Korea has transformed itself in the face of external and domestic pressures such as globalization



and democratization and how it will face future challenges and opportunities.

### **3. Korea Should Pursue the Growth of Knowledge Power**

Korea should nurture its knowledge power to execute middle power diplomacy in development cooperation. Middle powers lacking in hard power should develop knowledge power that can guide stakeholders to explore the same issues from a different angle. In the post-2015 era, issues are highly complex, cutting across multiple issue areas. This is exactly the situation in which Korea can wield knowledge power to discover a way in which traditionally separate issues can be linked together in today's development cooperation. Although there is a growing perception that issues such as growth, the environment, human rights, governance, social integration, and peace are inseparable from each other, it is still puzzling how they can be combined in the context of individual countries. Unless tightly integrated, for example, separate strategies designed to address individual issues will not work to deal with such complex issues. Such an integrated strategy not only raises the legitimacy of sustainable development, but improves the possibility of "development effectiveness" that will bring about an increase in the recipient countries' capacity for development beyond "aid effectiveness." This is why a multi-sectoral approach is needed. While taking advantage of its comparative advantage in individual issue areas, Korea should take an integrated approach to the post-2015 era that can lump the individual issues from different layers into the cause of sustainable development.

### **4. Korea Should Make Full Use of Its Institutional Strength to Help Advance Development Cooperation**

Korea should make the best of use of its institutional platforms to expand and deepen cooperation and collaboration with international organizations and foreign governments. Korea should make efforts to fully take advantage of institutional strength since it succeeded in hosting the Global Green Growth Institute (GGGI), Green Climate Fund (GCF), and Green Technology Center Korea (GTCK). Korea should build on this green triangle of GGGI-GCF-GTCK to sequentially broaden cooperation with IOs such as the World Bank, UN, and OECD, as well as individual countries such as Mexico, Brazil, Denmark, and other East Asian countries. With this sequential approach, Korea is likely to earn the reputation of effectively bridging advanced and developing countries. The bottom line is that it is absolutely necessary to maintain the consistency of policies in the domestic arena. As is well-known, the previous Lee Myung-bak government ambitiously unveiled its "green growth



policy,” paving the way for Korea to take the initiative in proposing a new model of economic development. With this initiative, Korea successfully emerged as a major player in the discussion surrounding the Post-2015 agenda. However, the green growth policy has been hesitantly backed by the current Park Geun-hye government, which substantially eroded Korea’s position in the Post-2015 process. From this case, the Korean government should make efforts to align domestic policies to the Post-2015 strategy systematically and stably in order to take the initiative in the Post-2015 process.

### **5. Korea Must Continue to Work with Like-Minded Nations to Collaborate and Engage with on Issues of Development Cooperation**

Finally, it is absolutely necessary for Korea to form and maintain a like-minded group of nations that share goals and principles conducive to development cooperation. Collaboration with international organizations and foreign governments is a good strategy to enhance Korea’s status and role as a middle power. In this regard, it was a good move for the Korean government to help create and grow MIKTA, which is an informal forum among Mexico, Indonesia, Korea, Turkey, and Australia. Korea should take advantage of MIKTA to facilitate cooperation among members in the area of development. Joint cooperation or triangular cooperation is a good candidate for this kind of purpose. Because MIKTA members represent their own regions, possess better knowledge, expertise, and experiences about their neighboring countries, Korea will be able to team up with MIKTA members to implement joint or triangular cooperation. For example, in the case that Korea needs to provide ODA for Caribbean countries, the Korean government can cooperate with Mexico to take advantage of its expertise and experiences with Caribbean American recipients, which will substantially increase the effectiveness of ODA.

However, strategic collaboration based on sheer interests is an alliance of convenience which runs the risk of disintegrating when interests diverge. Korea should seek to form a like-minded group in the long term in the event that interest-based cooperation may collapse. Although it takes time to cultivate a like-minded group, once created, Korea’s status and roles will be much more robust, exerting greater influence in the post-2015 era.■



*Author's Biography*

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Seungjoo Lee is a professor in the department of political science and international relations at Chung-Ang University. Professor Lee received both his B.A. and M.A. from Yonsei University, and received his Ph.D. in political science from University of California at Berkeley. He previously served as an assistant professor in political science at National University of Singapore, assistant professor in international relations at Yonsei University, and postdoctoral fellow at the Berkeley APEC Study Center. His recent publications include *Northeast Asia: Ripe for Integration?* (2008) and *Trade Policy in the Asia-Pacific: The Role of Ideas, Interest, and Domestic Institutions* (2010). Professor Lee has also published many of his research papers in prominent journals such as *The Korean Political Science Review*, *Comparative Political Studies*, *The Pacific Review*, and *Asian Survey*. His current areas of research interest cover the subjects of East Asian regionalism, global FTA networks, middle power diplomacy, and development cooperation.



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