

REVISITING GLOBAL KOREA.
SOUTH KOREA'S SOFT POWER ASSETS AND THE ROLE
OF DEVELOPMENT COOPERATION

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ABSTRACT

Despite the geopolitical limitations and the prohibitive status of a middle power, during the past few years, the Republic of Korea has started to intensively make use of soft power strategies in order to boost its global image. Its strategy focuses primarily on cultural diplomacy, but also takes into account the international contribution aspects. Therefore, due to its successful development experience, the country tries to export its model through various development assistance policies and become a mentor in this new field. The previous and current administration shifted South Korea's interests and focused not only on cultural diplomacy, but also on international cooperation. Therefore, as a former aid recipient, Korea adopted the same mechanisms previously used by its former donors, concentrating on the concessional loans and tied aid in order to boost the image of the state and increase its desirability towards the foreign public and ultimately play an important role in supporting development in developing countries.

Overall, the paper investigates the aid allocation and offers clarifications of the linkage between the 'Global Korea' strategy and the official development assistance policies (ODA). Thus the study highlights the deficiencies of the current model, and at the same time, advocates for untied aid and a noticeable enhancement of grants allocation. Additionally, bearing in mind the strong regional bias and the obvious contradiction with the objectives of a global strategy, an adjustment concerning the distribution of funds based on regional equity is also mandatory. Therefore, South Korea can stand as a truly Global Korea on the international arena.

Keywords: South Korea, middle power diplomacy, cultural diplomacy, soft power tools, official development assistance.

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INTRODUCTION

Despite its small territory and an overall sense of insecurity and geopolitical limitations, the Republic of Korea represents one of the most interesting cases for the scholars studying middle power diplomacy. In spite of the everlasting tensions with the neighbouring North and the generally dangerous environment, worsened by the intense regional struggle, the ambitious domestic leaderships and the global competition between China and the United States, the country is frequently labelled as ‘the miracle of the Han river’, due to its successful economic story. As part of the new wave of emerging middle powers, the current government, similar to the previous administration, fully implements a diplomatic strategy that tries to overcome the hard power shortages with the rich soft power assets. Consequently, the focus rests on cultural diplomacy; yet, since the inauguration of the previous government, the international contribution aspects have been brought into the spotlight. Hence, as a result of the effective development experience, the country tries to become a mentor in this relatively new field.

Our qualitative research has a more descriptive-interpretive approach towards the analysis of the relationship between ODA-middle power-soft power assets. Therefore, we have focused on South Korea’s aid allocation and its linkage with its middle power status. For research purposes, we have structured our arguments following various sources from official reports and recommendations from the Organisation for Economic Co-operation and Development (OECD), as well as books and articles which further elaborate on the idea that development cooperation is a diplomatic strategy of a middle power. Moreover, for non-biased analysis we have also taken into account Korea’s point of view, by analysing the policies and regulations of the Ministry of Foreign Affairs and of the Korea International Cooperation Agency.

For the reasons mentioned above, the arguments of the paper are the following: there is a relationship between aid allocation and soft power strategies; in the case of Korea, international cooperation is used not only to support development, but also to boost its international image. The Korean ODA policies contradict the objectives of a ‘Global Korea’ strategy, hence adjustments are needed. Therefore, if Korea respects its international commitments and the recommendations coming from various development partners (OECD, 2013), then it will reform its internal mechanisms of granting financial assistance to developing countries.

All in all, the current paper tries to examine the policies advocated by the two conservative governments, by investigating the diplomatic stances of Lee Myung-bak, the advocator of the ‘Global Korea’ strategy and of his successor, Park Geun-hye, with a particular attention given to the development assistance mechanisms. Therefore, the essay attempts to offer explanations regarding aid allocations, but also explores the linkage between the ‘Global Korea’ strategy and the ODA

policies. Yet, for a better understanding of the whole process and of the factors which shaped this diplomatic approach, a short overview of the concepts is mandatory. Hence, the first section will inspect Korea's acting as a middle power on the regional and global arena; additionally, the analysis of its unique development experience will reveal its desirability for the existing developing countries. The second part will assess the two policies, as it will pinpoint the projects endorsed by the two administrations, but also the deficiencies of the current model. Ultimately, due to the lack of quantifiable data pertaining to the accomplishments of Park Geun-hye's ODA policy, the section dedicated to the current president will contain recommendations based on the latest available Annual Report of OECD. Overall, the study reaffirms the role of development cooperation and firmly reiterates its vital importance as an innovative soft power tool.

SOUTH KOREA'S SOFT POWER AND DEVELOPMENT COOPERATION

MIDDLE POWER DIPLOMACY AND SOFT POWER ASSETS

The concept of middle power remains one of the most controversial topics in the field of international relations as the scholars have yet to decide upon a general and comprehensive definition. If some of them focus upon material capabilities, others pinpoint diplomatic aspects such as behaviour, status and strategy. Hence, Andrew Cooper highlights four major approaches: a positional aspect concentrating upon the population, military capabilities and economic strengths, geographic approach based on the location between great powers, a third normative approach, focusing on diplomatic influence and, last but not least, a behavioural trait, characterized by international compromise and multilateral solutions (Cooper, Higgot, & Nossal, 1993). In addition, the same author stresses out three patterns of behaviour: the catalysts, who trigger the initiative, the facilitators, who focus on coalition building and the managers, who highlights institution building and the creation of norms (Cooper *et al.*, 1993).

Although the behaviour outlines the overall diplomatic strategy, one must not disregard the first features, especially the positional aspect. In fact, the material capabilities are mandatory in order to promote credible and feasible initiatives and, consequently, to be recognized by the great powers as objects of strategic diplomacy. Therefore, the greater amount of relative power is correlated with superior foreign policy autonomy (Gilley & O'Neil, 2014). That is to say, the way in which a state employs and organizes its capabilities, material and diplomatic altogether, determines its status on the anarchic global arena. Moreover, the ability to persuade other nations, either through inducements (hard power) or without the use of force (soft power), further consolidates the position.

Along these lines, due to the limited resources, the middle powers have to heavily rely on their soft power assets (Nye, 2011). Whereas the great powers tend

to combine these tools, the middle powers compensate for their weaker economic and military stances with soft power alternatives. As for the Korean case, the hard power impediments are well-known: the everlasting communist threat and the sense of instability, as well as the limited resources and the substantial reliance on trade weaken any regional claim. On account of these inadequate capabilities, the leaders gamble on the rich soft power resources: Korea as a model of democratic stability and of successful development, the global role of the Korean companies and brands, the cultural resources (*Hallyu* wave – music, television, sports, language –, traditional culture and values, emphasis on education, oriental medicine) and the technological advancement (Ma, Song, & Moore, 2012).

Taking into account the theoretical perspective presented above, we can define several technicalities of the middle power concept: one can define itself as being a middle power when its foreign interests are placed between active and passive diplomacy and the only way it can influence the international agenda is through actively using soft power assets. Technically speaking, based on its material capabilities, Korea has been a middle power for two decades. Yet, we can assume that this type of diplomacy has been officially employed since 2008, with the emergence of ‘Global Korea’ initiative. The first explanation can be traced from the geopolitical limitations, as the whole peninsula is caught between four major contending actors. Some authors go as far as advocating an optimistic view regarding the whole situation: they underline the future mediating role of Korea in the relationship between China and the United States, by taking into consideration the central position in the U.S. – Japan – South Korea triangle and China – Russia – North Korea (Kim, 2011). Yet, one must assess the importance of the strategic alliance with the Americans and its restraining force upon the ‘*middlepowermanship*’ of the Koreans, especially regarding the sensitive relationship between Washington and Beijing (Lee, 2012). Furthermore, the partnership with the U.S. leads to a second justification: due to the alliance with a greater power, the country only focuses on its own security. Therefore, the active participation and enhanced international role, particularly through contribution diplomacy (development cooperation and peace keeping operations), should compensate for the previous passive diplomacy.

For that reason, public diplomacy becomes the main instrument of governments in order to boost the image of the state and increase its desirability towards the foreign public. South Korea makes no exception to the rule, as the last two administrations place the middle power diplomacy at the core of their national strategies. Therefore, the ‘Global Korea’ policy, initiated by the Lee administration, was created as a venture to emphasize South Korea’s role worldwide, with special attention given to the Asia-Pacific region. The conservative President pursued a proactive regional and global policy, as the government hosted many international events (among which the G20 Summit, the Nuclear Security Summit and the Busan Aid Effectiveness Forum), emphasizing

the ability of the country to adapt to the new global trends (peacekeeping operations, development assistance and climate change). Additionally, the 'New Asia initiative' was launched in 2009, having as a purpose the intense cooperation between the Asian countries. Nonetheless, assuming the role of a middle power, more precisely that of a catalyser, the Republic of Korea took over the leadership position, as it tried to act as a bridge between the small and large powers, the developed and developing countries.

Despite the fact that she attempted to adopt a different vision, especially concerning the North Korean problem and the relationship with the U.S., the incumbent president borrows many of the foreign policy guidelines from her predecessor. Therefore, in spite of the harsher environment (the whole communist debacle and the challenging declarations of the Japanese Prime Minister, Shinzo Abe), Park Geun-hye continues to implement the middle power diplomacy (for example, we have presidential visits to other emerging powers such as India and China which embraces the idea that a genuine middle power can exert influence upon great powers only by networking with others; Robertson, 2013).

DEVELOPMENT COOPERATION

As explained above, power relations is all about the ability to influence others to get them to do what you want (threatening, enticing or co-opting them). Soft power has become in the past years one of the most used tools in public diplomacy, using one country's values, culture and foreign policies in order to attract. But culture and ideas do not always produce the attraction essential for a successful soft power policy, which is why soft power encompasses both diplomatic strategies and economic development, and thus becomes an integral part of a government's policy.

Yet, for South Korea, soft power actually started from the private sector (Yoon, 2009), which pushed forward a policy strikingly similar with that of Japan, emphasizing the cultural capital that rapidly expanded all throughout Asia. Of course, the environment was also favourable for cultural information exchange between nations that led to great competitive powers in the region. This expansion was not led by policy and strategy, but by the private sector, as corporations and human capital of the entertainment wing build up the framework in which soft power developed. We can safely assume that because of such dramatic increase in cultural, economic, trade and investment ties within the region, East Asia came closer to the European Union and the United States. This level of cooperation brings us closer to the main issue of our article, development cooperation, and its role in the soft power policy of South Korea.

There is a growing consensus nowadays that development aid can play an important role in supporting development in developing countries; eradicating extreme poverty and hunger, achieving gender inequality and sustainable development are only few of the problems which this field tries to deal with, and

despite its many shortcomings, development cooperation remains the most useful approach in supporting future generations (OECD, 2013). However, by looking at other cases of late development (such as South Korea, Ireland or Taiwan), one can notice how foreign aid is not enough in bringing self-sustained growth and development (Kalinowski, 2009–2010). Coordination and effectiveness on all levels and stages of development are needed in order to design the best development aid policies. Moreover, coherence and cooperation are a must for ensuring that there is a clear and mutual understanding between partner countries that will become the basis of a regional or global framework for development. There is no coincidence that the 8th Millennium Development Goal *-develop a global partnership for development-* has been established as a key component of United Nations' strategy towards development cooperation. Yet, it probably is the least quoted goal as for many countries it does not represent an ultimate answer for solving the world's main problems.

Development cooperation can encompass many forms and meanings. Eradicating hunger, controlling diseases, providing humanitarian relief for natural disasters, ensuring education are problems usually tackled by allocation of grants, loans, or technical assistance. These methods of assistance, which are basically part of a traditional development aid procedure, are provided with or without conditions, controlled or monitored, or simply gave as part of a humanitarian mission. Yet, lately, development aid has become much more complicated, as its scope enlarged. The goals are more or less the same, but the situation is quite different from the 1950s. Moreover, the actors have changed, meaning that the International Monetary Fund and World Bank are no longer the main players; European Union is the world's biggest development aid donor, while United States Agency for International Development (USAID) continues to play an important role in helping developing and underdeveloped countries sustain themselves. Civil society and various NGOs, either international or regional, and other grassroots organizations have a very important role, one of it being monitoring and evaluating the way in which development policies and aid are being implemented.

As such, one can see that development cooperation is more than just providing decent roads and helping those who are poor and cannot sustain themselves (although that should be its main goal). It encompasses trade, market openness, human capital, knowledge sharing, institutional learning, improving state capacity, all being part of a global economic and financial architecture. The world is changing, therefore the global framework for development must continue to work for maintaining its strong voice and vision. Thus, we believe that South Korea, by bringing forth its successful development and role of an emerging middle power can and will have an important role and influence in development cooperation and global governance.

South Korea is a country that has a unique experience in shifting its status from underdevelopment to development, being today an inspiration for many

developing countries around the world (OECD, 2013). Being a former recipient with an experience that, in theory, cater to many developing countries, and pledging for better development assistance in both quality and quantity by increasing its ODA/GNI ratio to 0.25% in 2015 (Lee & Megyeri, 2013), South Korea has all the reasons to use development cooperation as a main asset for its soft power policy. But, before analysing the development assistance policy under President Lee Myung-bak and its successor, Park Geun-hye, and offering suggestions to strengthen its aid policy, a brief overview of South Korea's ODA, from history, up to principles and architecture, will be provided.

South Korea's history as a recipient country began in 1945, after it obtained independence from Japan; however, the peak of foreign aid started after the Korean War broke out in 1950. The war left Korea torn and resources coming from various donors, such as the United States, Japan and other multilateral organizations focused on humanitarian assistance and relief for the Korean people. Not only did Korea suffer greatly from poverty and widespread diseases, but it also had its economy butchered, being one of the poorest countries in the world. Yet, the amounts of grants and concessional loans that surged throughout the 1960s managed to attract foreign investment and rebuild its economy, so that in the 1990s, the Republic of Korea was no longer a recipient country.

Starting with grants and bilateral aid, South Korea slowly worked its way out of its underdeveloped stages, investing in lowering the inflation, securing the financial stability and investing in infant industrial facilities (Hwang, 2010). Later in the '60s, concessional loans were triggered by the Foreign Investment Promotion Act and the Five Year Economic Development Plans, elaborated under Park Chung-hee's rule. Bilateral aid never stopped flowing as well, with Japan becoming a new donor and investing through its Economic Cooperation Fund (since the relations between the two countries were normalized in 1965) and the United States contributing in order to ward off the spread of colonialism and play a role in the economic policies of South Korea (Hwang, 2010). These loans were vital in restarting the economic infrastructure and industrialization, and their success is seen in the biggest successes of Park Chung-hee's rule: POSCO (Pohang Iron and Steel Company), the New Community Movement (known as *Saemaul Undong*, a development program launched in the 1970s, which aimed at modernising rural infrastructure and villages in Korea; albeit successful, it lost momentum during the 1980s, yet, this model was accepted by the United Nations as the most efficient rural development model in the world, being exported to more than 70 countries in the world), Gyeongbu Expressway and so forth. After the basis of an industrial infrastructure was established, public health and education, alongside agriculture were the key issues where foreign aid left its mark. Coupled with multilateral aid, used mainly for emergency relief and reconstruction (coming from various sources, such as United Nations, World Food Programme, etc.), South Korea began contributing to international development since the 1960s, providing

at first trainings and technical expertise. After 2000, the share of Korea's ODA grew in amount, reaching its peak in 2010. Yet, the Republic of Korea still remains a small donor, being in 2010 the lowest country in OECD-DAC, with an ODA/GNI of 0.12 % (DAC, 2012).

South Korea's ODA is under the Basic Law on International Development Cooperation, which was enacted in 2010, following the recommendations of the OECD-DAC review of 2008. The law encompasses the values, objective and direction of South Korea's development cooperation. The goals and operational principles include universal ideals, and follow the UN Charter, the Millennium Development Goals and the Paris Declaration: alleviate poverty, empower women and children's rights and achieve gender inequality, sustainable development and humanitarian approach to bring world peace and prosperity.

In what regards policy making and implementation, Korea adopts a dual system: the Prime Minister chairs the National Committee for International Development Cooperation (NCIDC) and is in charge of policy making of mid-long term strategy and coordination of ODA. This authority oversees all ODA activities, and according to OECD, it should improve its transparency and efficiency. Under NCIDC, there are the four major actors that implement the ODA policy. First, we have the Ministry of Foreign Affairs and Trade (MOFAT) that deals with grants and technical cooperation, both being implemented by the Korea International Cooperation Agency (KOICA). Then, dealing with concessional loans is the Ministry of Strategy and Finance (MOSF) along with the Korea Export-Import Bank's Economic Development and Cooperation Fund (EDCF).

This decentralised system of organizing ODA policies and implementation has been subject to many critiques related to aid ineffectiveness, lack of coordination and fragmentation (OECD, 2013). OECD has recommended since 2008 that this dual system should be united under a single entity, because fragmentation makes policy coordination between bilateral and multilateral aid challenging and difficult. Even if MOFAT and MOSF submit every five years a Basic Action Plan that is to be approved by NCIDC, and there are various ODA strategies that need to be taken into account by both MOFAT/KOICA and MOSF/EDCF, the capacity of Korea's development and cooperation in terms of staff and budget is far from reforming the dual system and improve South Korea's commitments to the global cooperation (Hwang, 2010).

Another worth mentioning feature of South Korea's development and cooperation is the way in which the private sector gets involved through the Public Private Partnership (PPP), a collaborative arrangement between private actors and bilateral/multilateral agencies or governments to address specific developmental issues. This partnership has led to an enhancement of aid effectiveness and created a sturdy cooperation between stakeholders (governments, private companies), NGOs and community-based organizations and recipients. Private involvement should not be a surprise, as the policy of soft power also started from the private sector.

Other striking characteristics of Korea's ODA, in addition to the concentration on bilateral aid and concessional loans, is the high level of tied aid, a stronger preference towards Asia (much of Korea's ODA is given towards Asia and to Low Middle Income Countries), and limited focus on addressing specific vulnerabilities of recipients (OECD, 2013). From these features, we can see that ODA is linked with Korea's national economic interests, promoting regional integration and focusing on exporting the development experience of South Korea. Therefore, we can safely assume that overseas development assistance is a very important foreign policy tool that enhances the soft power capabilities of South Korea.

In many ways, foreign aid helped South Korea recover from its scars left by the colonization process and war. In this case, the official development assistance (which accounted for almost \$13 billion) contributed to the industrialization process and economic growth, the grants and later concessional loans being the catalyst for Korea's development from extreme poverty to prosperity. Today, South Korea is among the fifteen largest economies, managing to overcome its dependence on foreign aid by becoming a donor on its own right. Furthermore, South Korea pledges to become a globally responsible member that will help the most unfortunate countries (*Korea's Contribution to the World- Sharing Hope with the rest of the world*, 2014), just like it has received help sixty years ago. Yet, the global political economy has drastically changed, the experience that South Korea is becoming more and more out-of-date, meaning that there is a need for a new alternative in the field of development cooperation that will make use of the East Asian economic miracle. In this context, South Korea will definitely play its part.

KOREA'S ROLE IN GLOBAL DEVELOPMENT

LEE MYUNG-BAK: GLOBAL KOREA STRATEGY AND ODA POLICIES

President Lee Myung-bak started his mandate by promising to expand the overseas development assistance policies of South Korea. By doing so, South Korea will be much more involved in peacekeeping activities and will expand its international role in global affairs. By promoting its successful economic model and securing its energy resources (resource diplomacy), Lee Myung-bak hoped to increase South Korea's profile on the international arena.

The problems however in securing his Global Korea strategy (Snyder, 2009) were many, starting from the wavering Korean public support. The idea that South Korea is a middle power and a potential important key player in international politics was not immediately embraced by Koreans (Snyder, 2010). What is more, the country's international involvement in other countries of the world was not supported, and the 'global Korea' was really hard to grasp, because of various reasons. Being surrounded by neighbours who exert a tremendous influence in

international politics and having real security dangers, coupled with a historical conflict and division of the Peninsula, made many Koreans feel quite sceptical when referring to the role that their country could play in global politics. This is one of the reasons why Lee Myung-bak's main priority was to make the main goal of his diplomatic white paper focused on increasing the national image in various areas (the main area being international cooperation). Of course, cultural diplomacy was not forgotten either, as soft power started to be re-visited and reframed so as to adapt to the current global trends.

Strictly referring to ODA allocation, the goal under Lee Myung-bak's tenure was to increase South Korea's contribution to over US\$3 billion by 2015 (meaning 0.25% of its GNI). However, such promises did not take into account that South Korea's bureaucratic infrastructure and staff of KOICA, were at that time insufficient to handle such volume of aid. Moreover, this increased allocation announcement led to serious backlashes from the public, since at that time, South Korea also had economic difficulties.

Since 2007, South Korea started to slowly strengthen its ODA system; it worked thoroughly in order to strengthen the legal framework of ODA, and sought entrance into the Development Assistance Committee of OECD. As such, in 2010, South Korea was permitted entrance, serving as a clear sign of its transformation from a poor, war-torn country that received aid to a donor country with a successful economic development. In the same year, South Korea set out its visions, goals and objectives for its ODA policy, all present under the legal framework of the 'Framework Act on International Development Cooperation', 'Strategic Plan for International Development Cooperation', and 'Sectorial Basic Plan' (ODA Korea). Moreover, the 'Government-wide Plan to Strengthen Overseas Emergency Relief' (ODA Korea) was also implemented, laying the legal foundations for facilitating emergency responses.

Under Lee's administration, the three main strategic areas for improvement of ODA management were also defined: reforming ODA delivery, develop a workable model for knowledge sharing and consolidating global development leadership. Moreover, it was during his Presidency that South Korea assumed its role in becoming the linkage between developing and developed worlds, and committed to play its role in improving global governance. As such, Korea played its part in adopting the 'Seoul Development Consensus for Shared Growth' and the 'Multi-Year Action Plan on Development', at the G20 Seoul Summit in 2010 (*Seoul Development Consensus for Shared Growth*, 2010). It was an important step for Korea in increasing its middle power role in international cooperation, and in managing to work for a global consensus on development – a commitment to a strong, sustainable and inclusive growth of developing countries.

In 2011, the 4th High Level Forum on Aid Effectiveness was held in Busan, Korea. It is the world's premier forum on development cooperation, and the fact that it took place in South Korea meant that the international community

recognised its potential in becoming a key player in development and international cooperation.

All in all, the Lee administration implemented great initiatives that contributed without doubt to the overall improvement of the ODA policy. From assisting people in conflict or fragile situations, to providing humanitarian assistance and joining global efforts to combat poverty, terrorism, poverty and disarmament, South Korea diplomatically flourished during Lee Myung-bak's mandate. Another important feature of the Lee administration is the development cooperation in Africa, with the 'Framework for Korea-Africa Development Cooperation 2009–2012' being issued during the Second Korea-Africa Forum in 2009. Moreover, during this period of time, South Korea increased its ODA dedicated to Africa and dispatched many volunteers by the year 2012.

Yet, little has been done regarding public support for increasing the budgetary line dedicated to overseas development assistance. Moreover, its contributions to such international efforts are still limited, with few efforts being done in order to reform the development assistance field. Development aid, in the form of projects, grants, credits, or loans is clearly not the most important contribution that South Korea can make to the global community. The model that this country should promote is that of institutional and capacity building that will ensure economic development. And this is where South Korea should invest more: knowledge sharing and institutional learning should be tackled by the Park Geun-hye's administration.

PARK GEUN-HYE AND THE ASSESSMENT OF THE CURRENT ODA POLICY

As we already mentioned, the incumbent president preserves the diplomatic stance of her predecessor, as Korea still acts from the position of an emerging middle power. Despite the fact that she has to cope with a harsher environment, mainly influenced by the communist intimidations coming from the neighbouring North and, on rare occasions, by the Japanese discourse, this tactic prevails on the main agenda. Nevertheless, the aim remains unaltered, as the current government also tries to expand its network power and concurrently to improve its development cooperation efforts. What is more, Park Geun-hye frequently underlines the need for new initiatives in order to elucidate the problems of aid allocation and to enhance the overall effectiveness.

In terms of projects, the president further develops the ventures designed by the previous administration as she constantly expresses her support for two major initiatives: Development Alliance Korea (DAK) and World Friends Korea. The DAK cooperative network, launched an year after the Busan Forum, tries to act as a bridge between the government, the NGOs and the private sector in order to facilitate the accomplishment of the Millennium Goals and the commitments of the Busan Global Partnership (Ministry of Foreign Affairs Korea). The second project

coordinates Korean volunteers worldwide and due to the constant expansion, the country has become one of the largest volunteer sending states. Nevertheless, Park Geun-hye also pushes for her own programs, with a particular attention given to the rejuvenation of the Saemaul Movement.

The recent discussions stir up an old dispute, as the head of state tries to revive the procedures implemented by her father. More precisely, she advocates for a global implementation of the Saemaul Movement (Chung, 2013); the revolutionary policy is well-known for its successful modernization of the whole rural infrastructure during the '70s and it is even recognized by the United Nations as an efficient recipe. Yet, a global push for this formula is intensively criticized, as the favourable conditions encountered by the Koreans are rather unique. The adaptability of a development model still represents a questionable subject, as it is rather impossible to replicate the Korean operational pattern, especially due to the completely new circumstances. As an illustrative example, the model cannot sustain significant results for the African countries, as their heterogeneous composition and the frequent ethnic clashes as well as the lack of a firmly centralized government hinder the whole process.

The inadequate and sometimes ineffective initiatives are not the only obstacles, as the new government must disentangle the problems concerning the total amount of ODA and the lack of coherence regarding the partners. During the past few years, the Korean Development Assistance Programs were criticized for magnitude of the ODA budget, but also for the inconsistent selection of the recipient states (Hwang, 2010). The president promises that it will increase the ODA/GNI ratio by 2015; nevertheless the assessment of the results is premature, as the 2014 reports are still unpublished.

However, the last available report reveals the major issues of the Korean ODA and can help us design several recommendations for the new executive: to the two up-mentioned problems, we can add the prevalent ratio of tied aid, the low focus on gender equality and women empowerment and the failure to sustain the Rio Convention objectives (*Ending Poverty*, 2013). South Korea has been steadily increasing its net amount of ODA, yet the ratio ODA/GNI represents only half of the aim settled for 2015 (since 2010, the net amount has been increasing with almost 200 million \$/ per year, yet the 2012 ratio ODA/GNI represents only 0.14%). As for the priority recipients, the bilateral ODA reflects two contradicting trends: a quick look at the top 10 partners reveals the regional bias, whereas the overall distribution echoes the chaotic geographical fragmentation. Concerning the untied aid, it still represents less than half of the total amount, far from the established goal of 75%. Last but not least, the report concerning the last two issues, gender equality and environment allocation remains grim; once again the 2015 objectives are far from being accomplished (only 4% of the ODA was allocated to gender equality, when the goal is 10%, whereas for the ODA for climate change adaptation dropped significantly).

Taking into account these problems, we support untied aid and visible enhancement of grant allocation (recommendations already under review by DAC-OECD; DAC Special Review, 2008). Furthermore, we consider that the new government should focus on improving the ODA quota for each of the 2015 aims, proving its valuable membership in the Development Assistance Committee. Additionally, a revision of the distribution of funds is mandatory, as the prioritization will increase the coherence of its middle power diplomacy.

FINAL REMARKS

South Korea became a model from all points of view, starting from its successful economic development and ending with it becoming a respected donor and member of OECD-DAC and G20. Its successful market development (or home-grown development), present also in the other three Asian Tigers, has been seen by many developing states as the answer to poverty and economic disparities. However, this model cannot be simply applied to any country, as it can be seen from the Korean case that there were many variables which affected the evolution of the market. First of all, this model of development needs a capable state apparatus which provides a framework for the market establishes a working infrastructure and intervenes whenever there is a market failure; moreover, private and public should always cooperate in economic activities. Korea had a big advantage in its successful bureaucracy which was closely connected to the private actors and is autonomous and prevents interest groups to benefit from state incentives.

What is more, whenever there was an economic crisis, Korea modified its regulatory frameworks so as to adapt its own political economy to the advanced market economies that dominate global exchanges. This development project can be therefore seen as a process through learning: starting from almost nothing, a state made use of massive foreign aid, and profited economically from its political alliances with the United States and Japan, and easy access to their markets. By being allowed to practice infant industry protection, regulate the capital flows and foreign investments, and limit the entrance of foreign multinational corporations, all under dictatorships (ironically considered socialist in Latin America), South Korea started its capitalist development.

The problems that South Korea's ODA has are quite a few, and all of them revolving around the low quality of aid (whether referring to the low levels of multilateral aid compared to bilateral aid, the high levels of tied aid, of credits in favour of grants, of project financing *versus* budgetary support, lack of civil society involvement and mixing ODA with export promotion). Korea therefore must make tremendous efforts to update its ODA in quantity as well as quality. By keeping its pledge of allocating 0.25% as ODA disbursement in 2015, the state must make

efforts in increasing the amount of grants, minimising tied aid, concentrating more on the least developed countries and allocating aid towards recipients in need, rather than to Korea's own economic interests. Moreover, concessionary loans, be them favourable for South Korea's development during the '70s, are quite misallocated and do not benefit the current economic and political landscape of developing countries. What is more, aid fragmentation and efficiency should be tackled, by reforming the institutional apparatus that deals with the policy implementation of ODA and strengthening aid governance. Also, public awareness and support for development cooperation is needed.

Lastly, Korea's pursuit for a global role between hard economic incentives and soft power politics led to a shift in focus towards development cooperation. The debate was thus about whether aid is an effective soft power instrument, and if it can be legitimately seen as a soft power asset. Here, we could clearly prove that South Korea's strategy in the field of development and cooperation worked well in supporting its soft power policy, even though both actually contradict one another (for Korea, the development cooperation strategy focuses on economic self-interest, and yet it supports the creation of a better world). Ultimately though, South Korea's experience and rapid development is perceived as soft power, as it improves the national image through sharing the model to developing states. However, promoting the Korean development model is quite problematic, as it does not properly suit the current domestic and international environment. This is why its experience should be tailored and shared with others, not forgetting the fact that developing countries today need more than market access; they need help in selling their products, in building industries and their capacity to export. As such, South Korea should show more leadership in knowledge sharing and institutional learning in order to 'create a better future for all humankind' (*Korea's Contribution to the World*, 2014).

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