Development Experience of Northeast Asia and Knowledge Sharing

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I. Poverty and Development Cooperation
In spite of global efforts by the global community, no significant economic development in the world has been witnessed except in East Asia.

I. The feature of international development since 1960s

[Year 1960]

[Year 1999]

Source: http://ucatlas.ucsc.edu/gnp/gnp.html
2. Stylized facts about international poverty and its implication

**Stylized facts about international poverty**

- Few countries have achieved significant progress in poverty reduction
- In Africa, in spite of enormous foreign financial assistance, poverty remained almost unchanged
- East Asia is the only region with such progress
- Northeast Asia is the core of the East Asian growth dynamics
- The wave of development spreads to neighboring countries in Asia

**Implication for international development**

- Poverty reduction is never an easy task to be accomplished
- Economic dynamics in Northeast Asia provides a clue for international development
- In poverty reduction and economic development, reducing knowledge gap among countries seems to be as important as financial assistance
II. Poverty Reduction and Economic Dynamics in Northeast Asia
The four Northeast Asian countries show great dynamism, although their stages of development are different from one another. 

I. Economic dynamics in Northeast Asia

[Graph showing economic dynamics]
The four countries are in a position to provide practical knowledge and expertise in development cooperation with a good supplementary relationship.

### 2. Strength and weakness of the Northeast Asian countries in development cooperation

<table>
<thead>
<tr>
<th>Country</th>
<th>Strength</th>
<th>Weakness</th>
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| Japan      | • Skills in development cooperation  
             • Full experience of national development  
             • Financial capacity in foreign aid         | • Vividness of experience in state-building and economic development |
| Korea      | • Vivid experience of state-building and economic development  
             • Experience as an aid recipient  
             • Completed stage in industrialization     | • Financial capacity in foreign aid           |
| China      | • Rapid industrialization and economic growth  
             • Transition economy  
             • Financial capacity in foreign aid  
             • Management of huge population with large territory | • Maturity in industrial development  
                                                                                                                                                     • Experience of development aid |
| Russia     | • Management of huge territory with large population  
             • Experience in assisting federal states in the past  
             • Transition economy                           | • Skills in formal development cooperation    |
III. Sharing Development Experiences for Development Effectiveness
“This deterioration in capacity (in Africa) has happened precisely during a period of acceleration of external aid flows.” (Fukuyama, State-Building, 2005, p. 40)

1. Poverty and Development Cooperation of the Global Community

- **Global Agenda**
  - “Poverty reduction” is a core agenda of the global community, as was represented by the MDGs and the Post-MDGs discussion.

- **Development Assistance**
  - The global community has provided enormous financial assistance for development.
  - With the MDGs as a turning point, the global community is going to strengthen its efforts to assist development further.

- **Development Effectiveness**
  - No significant reduction of poverty in the global community
    - “During the last 25 years, the situation has not been any better in poverty reduction.” (UN, In Larger Freedom, 2005)
  - The performance of ODA so far is not very satisfactory.
    - No correlation between ODA and economic development (World Bank, Assessing Aid, 2000)
  - Almost every African country has witnessed a systematic retrogression in capacity in the last 30 years; the majority had better capacity at independence than they now possess” (Van de Walle 2002).
  - Post-MDGs: Sustainable Development
“The international community is not simply limited in the amount of capacity it can build; it is actually complicit in the destruction of institutional capacity in many developing countries. That poor or collapsing public administration is at the heart of Africa's 20-year development crises is beyond doubts.” (F. Fukuyama, ibid, pp. 39-40)

2. The Position of the West-European donor countries

| Circumstance | Economic development: proceeded in a completely different mode under the completely different environment  
|              | No experience of colonial rule  
|              | Quite different culture and customs |
| Basic Position | Do they really understand “poverty”?  
|               | Do they really possess “know-how” for poverty elimination? |
| Development Effectiveness | Relevance of the Washington Consensus to contemporary developing countries  
|                           | - Small government, decentralization, privatization, market opening  
|                           | Transferability of institution to heterogeneous culture |

- Few countries have succeeded in transferring governance system to other countries  
  - U.S. to Postwar Germany and Japan, but both countries were strong bureaucratic states long before the U.S. defeated them  
  - U.S. to Cuba, Middle & South American Countries, S. Korea and Vietnam. However, S. Korea was the only successful country by Korea’s own efforts rather than by the help of the U.S.
In mentoring a university-preparing student, who would be in better position between one’s father and elder university student brother?

3. The Role of Northeast Asia in International Development Cooperation

**Positon**
- Vivid experiences for national development
- Unique culture, different from the West-European countries
- Successful state-building and economic development although their level of development may vary

**Expected role**
- With regard to various development issues, provide practical experiences in variety
- Help develop modern institutions under different cultural environment
- Possess unique experiences of transition economy
- Accumulate practical experiences of industrial development
IV. Concluding Remark
The valuable development experiences and development cooperation capacity of the Northeast Asian countries need to be shared and elaborated for development effectiveness in the global community.

**An Initiative for the Northeast Asia Platform for Development Cooperation**

**International responsibility**

**Tasks**
- Research for various development issues
- Sharing knowledge of development cooperation
- Development of the art of aid delivery
- Harmonization in development cooperation

**Platform**

**Northeast Asia Platform for Development Cooperation**
THANK YOU

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