

Asian Approaches to Development Cooperation “Post 2015 Development Challenges”

Eun Mee Kim

**Dean & Professor, Graduate School of International Studies,
Director, Institute for Development and Human Security
Ewha Womans University**

April 21-26, 2013

Washington D.C. & New York City

1. Asian Development

1) Rapid Economic Development

- Developmental State & Education
- Foreign aid utilized for domestic institution and human capacity development → Domestic Capability Development

2) Key institutions of Japan, South Korea, China

		Japan	South Korea	China
Industrialization Period		1945-1974	1961-1980	1978-1992
Key Institutions	Government	Ministry of Int'l Trade and Industry (MITI)	Economic Planning Board (EPB)	National Development and Reform Commission (NDRC)
	Local Capital	<i>Zaibatsu, Keiretsu</i>	<i>Chaebol</i>	State-owned enterprises (SOEs)
	Foreign Capital	• ODA • Trade	• ODA • Trade	• ODA • FDI • Trade

2. Asian Development Cooperation

- 1) Transition from aid recipient to donor**
 - 2) Regional Development: Use ODA for building regional economic relationship and development in Asia**
 - 3) ODA in Comprehensive Development: ODA as part of a larger economic development stimulus package including foreign direct investment (FDI) and trade**
- ➔ “Asian Solutions to Asian Problems”**

Overview of Japan, South Korea and China's ODA, Trade and FDI (2011)

		Japan	South Korea	China
ODA	Total gross disbursements (USD million)	10,831.4	1,328.5	41.5
	Asia share (%)	22.5	47.4	32.8
Trade	Total volume (USD million)	1,678,564	1,079,627	3,641,865
	Asia share (%)* (Export vs. Import)	18.4 vs. 20.6	12.4 vs. 12.6	42.4 vs. 40.8
FDI	Total outward flow (USD million)	114,353	20,355	65,177
	Asia share (%)	34.8	59.5	-

Source: ODA Gross Disbursements- International Development Statistics; Chinese ODA – 2011 China's White Paper on Foreign Aid.
Trade- World Bank.

FDI- United Nations Conference on Trade and Development FDI Statistics; OECD Statistics for Asia share.

* Asia share includes trade from and to member countries of ASEAN +3.

3. Asia's Post 2015 Development Challenges

1) Development Cooperation in Post-War and Conflict Context

- Countries in fragile situations face triple challenges of human insecurity, underdevelopment and poverty
- Human (in)security, development, and poverty are closely connected and mutually reinforcing
 - Conflict is an important cause that has led to increase in poverty ... [and] affects well-being through displacement of people from their home and livelihoods as refugees and into poverty (MDG Report, 2008)
 - Fragile states are caught in a vicious cycle of failed government, persistent poverty, and conflict (Collier, 2007)

➔ Bridging security and development in development cooperation: Poverty reduction and development in the context of fragile security and post-conflict require different goals and strategies.



3. Asia's Post 2015 Development Challenges

2) Humanitarian Assistance and Development Cooperation

- Short-term humanitarian assistance and long-term development cooperation have not been brought together in the field.
 - However, disasters have disproportionately affected the least developed and developing countries. Meeting the MDGs is severely challenged in many countries by losses from manmade and natural disasters (UNDP, 2004).
 - Short-term disasters exacerbate existing poverty and insecurity → They become long-term poverty and insecurity cases.
- Bridging the divide between short-term humanitarian assistance and long-term development cooperation is critical in the Post 2015 world.

3. Asia's Post 2015 Development Challenges

3) Human Capacity Development and Empowerment

- Gender inequality remains a challenge
- Improvements in gender development (education, employment) have not led to gender empowerment
- Concerted efforts are needed to improve gender empowerment for sustainable development and poverty reduction to be: “fair, smart, and transformative of societies” (Faust, 2013).
- **Post 2015 Development Cooperation:**

Domestic capability development (education + employment + empowerment) → Sustainable development