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South Korea's Official Development Assistance for Democracy Support

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Foreign Aid and Support for Democracy

As of 2022, South Korea provides Official Development Assistance (ODA) amounting to 2.79 billion USD, 0.17% of its gross national income, ranking 16th among the donor countries in the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD), which includes 30 countries. Since joining the DAC in 2010, South Korea's ODA has been steadily increasing. The successful transition from a recipient to a donor country is a significant achievement globally. However, in the context of South Korea's high status in liberal democracy, its level of support for democratic governance is relatively low.

There is no clear definition of 'democracy aid,' but it generally refers to aid used to advocate and support democracy. Given that democracy aid could be perceived as interference in the internal affairs of recipient countries, it is not prominently emphasized in development assistance where poverty alleviation and socio-economic development are the primary goals. The DAC aims to promote development cooperation and related policies, targeting Sustainable Development 2030, which includes inclusive and sustainable economic development, progress in national and international equality, poverty eradication, and improving living conditions in developing countries. It establishes a standard of assistance policy in various fields such as development, trade, industry, environment, gender equality, anti-corruption, and strengthening civil society. In essence, the DAC does not explicitly state that spreading democracy is the purpose of ODA (OECD n.d.).

South Korea's Framework Act on International Development Cooperation also stipulates the purpose of itself to "enhance the appropriateness of policies for international development cooperation and the efficiency of the implementation thereof, and effectively achieve the policy objectives of international development cooperation by providing for basic matters concerning international development cooperation, thus contributing to the co-prosperity of humanity and to world peace." This law outlines the principles of international development cooperation, such as "respect for all the principles of the Charter of the United Nations; support for the self-help efforts and abilities of developing countries; respect for the necessity of development of developing countries; increase in sharing of development experiences; and mutual harmony with the international community and promotion of cooperation therewith," but there is no mention of linking ODA to democracy (OECD 2005; Korea Legislation Research Institute n.d.).

The longstanding question of whether aid is effective has primarily focused on its economic development impact, with donor countries' aid being centered around national capacity building and institutional development (Riddell 2007). The Paris Declaration of 2005 outlines five principles for aid effectiveness, including ownership by developing countries, alignment of strategies, harmonization between donor countries, managing for results, and mutual accountability, all aimed at the socio-economic development impact of aid. Among the 17 Sustainable Development Goals (SDGs) that form the foundation of the current aid system, the only one related to democracy advocacy is the 16th goal, which focuses on peace, justice, and strong (inclusive) institutions.

The principle of 'Do No Harm,' that humanitarian aid in conflict situations such as civil wars, conflicts, or disasters should not have negative consequences, should be prudential when applied to democracy aid. This principle was established due to concerns that aid interventions could unintentionally aggravate political conflicts within recipient countries or hinder nation-building processes. The United Nations High Commissioner for Refugees (UNHCR) emphasizes the Do No Harm principle in ethical aspects such as fairness, neutrality, transparency, and accountability (UNHCR 2019). OECD recommends that donor countries, when providing aid, should have sufficient knowledge of local political dynamics and historical backgrounds, and focus on inclusive political processes, national integrity, constructive state-society relations, and enhancing national capabilities.¹ Namely, assistance supporting inclusive nation-building and politically neutral to local dynamics focuses on nation-building and social integration rather than democracy support.

However, there is a growing trend of advocating for democracy support, which was previously not prominently emphasized, integrating with geopolitical interests. While aid from donor countries has evolved to be more demand-driven, the interests of donor countries are also increasingly influencing aid policies (Lancaster 2007; Haan 2009). Donor countries also have prioritized securing security and economic interests or diplomatic influence over democracy advocacy. Some proponents of democracy have criticized Western donor countries for neglecting democratic values and human rights in their overseas aid. Especially in the case of the United States, the leading donor country in terms of aid volume, security and diplomatic cooperation have been the main drivers of its aid policies. With the Biden administration viewing the international landscape as the confrontation between democracy and authoritarianism, there is a growing voice advocating for stronger incorporation of democracy support into U.S. diplomatic policies (Task Force on US Strategy 2021).

Compared to his predecessors, President Biden has been keen on integrating democracy to his foreign policy, holding the inaugural Summit for Democracy in December 2021. U.S. efforts to promote global democracy intensified with the Ukraine war that began with Russia's invasion in February 2022. Under the 'Presidential Initiative for Democratic Renewal,' the United States Agency for International Development (USAID) is supporting independent media, anti-corruption efforts, supporting democratic reformists, technological advancements for democracy, and protection of elections and inclusive political processes (White House 2022). Samantha Power, the Administrator of USAID, argues that the right path against authoritarianism is to integrate democracy support, away from the relatively value-neutral development assistance practices with limited focus on individual

¹ The OECD report claims that elections excluding specific groups are undesirable to be held early, and raising expectations from civil society is neither helpful to address conflict situations. Since providing service through civil society organizations only builds another public sector to fragile states, the report suggests that distributing aid resources by the state sector is more desirable. OECD 2010.

rights advocacy, into all economic programs (Power 2023).² Another opinion appears that if there is a voluntary resistance movement by citizens against authoritarianism, it should not be strictly bound by the principle of non-interference. Instead, support for democracy from outside, in line with internationally recognized human rights advocacy, should be available. For this purpose, one argues that a norm asserting the “right to (democratic) assistance” needs to be established (Merriman, Quirk, and Jain 2023).

There is also criticism of connecting democracy support to geopolitical interests. Some argue that the primary focus should be on supporting individual rights, such as the rights of minority groups and political freedom of journalists and opposition figures, rather than using democracy support as a tool for development or geopolitical objectives (Pepinsky 2021). This argument aligns with the traditional logic of staying consistent in democracy support without tying it to the security or economic interests of donor countries. While there are differences in views on why democracy support is essential, there is agreement on the need to increase support for the protection and promotion of democracy.

The administration of President Yoon Suk Yeol in South Korea is integrating universal values such as freedom, human rights, and the rule of law into its foreign policy. As part of this, during the second Summit for Democracy Indo-Pacific Regional Meeting, President Yoon promised to launch development cooperation projects worth 100 million US dollars over the next three years in areas that can contribute to advancing democracy, such as e-government, digital technology capacity building, transparency, and anti-corruption, for Indo-Pacific countries. Following this announcement, the Ministry of Foreign Affairs convened a meeting in May to increase its aid budget for 2024 to 3.4 trillion won (approximately 2.6 billion US dollar), a 29.3% increase from the previous year (Ministry of Foreign Affairs 2023). However, the focus of aid announced during the summit was primarily on technical support and strengthening the government capacity of developing countries, raising questions about how much it would genuinely contribute to democracy support.

As democracy retreats globally and authoritarianism rises, support for active democracy aid from Western donor countries has strengthened. The South Korean government, which actively advocates for liberal democracy in its foreign policy, also wishes to share this approach. Given these trends, it is essential for South Korea to discuss which areas development assistance need to be expanded, which countries are better to be focused to assist democratic governance, and what would be more effective aid implementation methods for democracy.

Areas of Democracy Aid That South Korea Should Expand

According to the OECD report, the governance and civil society support areas of the DAC are divided into state building and democracy promotion. The former consists of public policy and administrative management, public finance management, decentralization and support for local government, anti-corruption organization and institution support, tax increase, public acquisition, legal and judicial development, and macroeconomic policies. The latter is composed of democratic participation and civil society support, legislature and parties, free flow of media and information, human rights, institutions and organizations for gender equality, elimination of violence against women and girls,

² USAID classifies its activities into 13 areas, and “Democracy, Human Rights, and Governance” is one of them. <https://www.usaid.gov/democracy>

and promoting orderly, safe, and responsible immigration and migration. Based on the OECD report analyzing aid provided by all donor countries to 124 recipient countries between 2010 and 2019, 73% of governance aid was used to state building and 27% to democracy promotion, and this ratio remained consistent annually.³

For South Korea's aid, democracy support is realized through grant aid. According to the 12 activity areas listed on Korea International Cooperation Agency (KOICA)'s website, the areas related to democracy are governance and peace, gender equality, and human rights. Among them, the mid-term strategy for the core governance and peace area focuses on 'participatory and inclusive democracy.' Programs suggested for achieving this goal include support for inclusive elections and legislative activities, as well as expanding the foundation of participatory democracy. The remaining areas focus on community and social integration, safety and just judicial and security systems, and responsible and efficient administrative systems (KOICA n.d.). Support in the peace and governance sectors accounted for 15% to 18% of total aid from 2016 to 2019, with 81% of this being for governance and 19% for peace-related aid. Governance aid mainly went to administrative systems (62%), judicial and security systems (19%), and legislative support (5%). Most of KOICA's governance aid was used for administrative system improvement and invited training (Kim 2021). The problem is that strengthening judicial, security, or administrative institutions is more aligned with nation-building rather than democracy promotion. South Korea's categorization of nation-building aid under governance seems to reflect its historical experience of modernization through a development or administrative state model.

Adhering strictly to the narrow definition of democracy aid, KOICA's support areas include elections and legislative activities, participatory democracy, and gender equality. The Association of World Election Bodies (A-WEB), initiated and funded by the National Election Commission of South Korea, has been involved in democratic election support and exchange among the world's election management bodies. However, its operations are limited due to reduced funding from the Korean government. Given South Korea's leadership in international election management bodies, improving A-WEB's legal and financial status can enhance its role in democracy aid. Considering South Korea's active citizen participation, programmatic initiatives tailored to partner countries can be also developed. In particular, methods such as participatory budgeting or digital petition can foster citizen's political participation in partner countries.

Media freedom support in aid programs has been regarded important to democratic governance. But Korean aid agencies have never been active in this area, possibly due to South Korea's government-centric aid approach and concerns about meddling in domestic politics. Still, with South Korea's diverse independent media landscape, leveraging its capabilities for free media support is essential. Collaborating with Western civil entities or multilateral organizations that support independent media might be beneficial. The support for migrants and displaced persons is also gaining attentions from democracy aid. As South Korea becomes more necessary to accept immigration, international aid can help find a momentum of domestic governance reforms. For gender equality which is one of major social achievement of South Korea, promoting women's rights through education and employment can be a strong point of Korean democracy aid.

³ This data does not include multilateral aid toward international organizations, which possesses 70% of total ODA amount. Regarding the regime classification method for democracy diversity research, refer to Lührmann et al. 2018.

To sum up, South Korea's governance aid is focusing on administrative institutions, whereas democracy assistance is relatively weak. Given that civil society empowerment and media freedom are crucial for recipient countries' democratic governance, aid on these fields should be supplemented.

South Korea to Focus Its Democracy Aid in the New Democracies

Despite the consensus among DAC donor countries that aid should support good governance, their aid in practice does not differentiate based on the political systems of recipient countries. A recent OECD report analyzed how ODA was provided according to regime types between 2010 and 2019. During this period, when considering all ODA donor countries, both DAC members and non-members, the total aid to authoritarian regimes increased from 64% of the total ODA in 2010 to 79% in 2019, a 15%-point rise. Within authoritarian regimes, aid to closed autocracies that do not even hold direct elections increased by 178%, while aid to those with non-democratic elections increased by 41%.⁴ This increase is attributed to the rise in the number of authoritarian countries from 68 to 75 during the decade and a 19-fold increase in humanitarian aid to these regimes. The crises in Syria and Yemen since 2015 highlight the dilemma of increasing support for authoritarian regimes due to humanitarian causes. Moreover, during this period, emerging donor countries such as Turkey, the UAE, and Saudi Arabia substantially increased their support to authoritarian regimes, without adhering to the principles of human rights or democratic governance since they are not DAC members.

Given that ODA primarily aims at poverty alleviation and economic development, it might seem understandable that the total aid does not consider the political systems of recipient countries. Then, what about aid aimed at improving governance? The report indicates that governance aid increased from 65% to 73% of the total ODA between 2010 and 2019. But this is mainly due to a 150% increase in aid to closed autocracies. It implies that governance aid also has been made regardless of the regime type. Even when focusing solely on governance aid for promoting democracy (i.e. excluding nation building from the total governance aid), the situation does not change significantly. Within democracy promotion aid, support for civil society and civic participation consistently dominate, with election support decreasing but rights and women's support increasing. However, even democratic aid often appears to have been provided without much consideration for the political nature of the recipient countries. For instance, the five donor committee member countries – the US, EU, Sweden, UK, and Germany – which collectively accounted for 70% of all democratic participation and civil society aid, did not significantly differentiate their aid based on regime type. Between 2010 and 2019, democratic promotion aid to closed autocracies increased by 72%, with countries like Somalia, Jordan, South Sudan, China, Morocco, and Syria being the major recipients.

From this trend, it can be inferred that even though aid is labeled as democratic, it continues for various reasons in authoritarian regimes without genuine democratic outcomes. However, it is essential to note that just because democratic aid was provided irrespective of the regime type does not mean there were no democratic effects. Recent empirical studies suggest that democratic aid does promote democratization. Research comparing ODA from OECD countries between 2002-2012

⁴ Most of the increase in ODA financing to closed autocracies were classified as multilateral aids in public sectors. 34% of them were invested in humanitarian aid, 29% to social infrastructure and service, 14% to economic infrastructure and service, and 7% to supplies and program support.

found positive democratization effects in terms of electoral democracy, core civil society, and civic freedom levels. The primary argument is that, unless posing a threat to the regime, governance promotion aid, rather than strengthening state capacity, has a more significant impact on areas where there is a democratic deficit (Lührmann et al. 2018). Another study analyzing EU democratic aid support between 2002-2018 found that EU's democratic aid to 126 recipient countries led to a 0.01 increase in the V-Dem electoral democracy indicator, with each dollar of democratic aid per capita resulting in a 0.009 increase in the indicator two years later (Gafuri 2022). A study on Sweden's democratic promotion aid over 25 years suggests that while the overall impact might be minimal, there is a significant democratic support effect when recipient countries are on a democratization trajectory. Therefore, reducing aid prior to a level of democratic consolidation is not advisable, and it is recommended to focus on essential areas for consolidation such as human rights, participation, civil society strengthening, and free press (Niño-Zarazúa et al. 2020). Recent reports by Cheeseman and Desrosiers also emphasize that while aid should not be abruptly halted to autocracies, if prioritized, it should be directed towards countries where democracy is gradually deteriorating. The primary recommendation is to consistently engage with recipient countries in a manner that prioritizes principles, ensuring that security or economic considerations do not undermine democracy. (Cheeseman and Desrosiers 2023).

In a nutshell, still supporting authoritarian regimes for humanitarian and other reasons, donor countries do not concentrate their governance aid to young democracies. If they want to see the democratization effect of governance aid, new democracies in their democratization process will be more promising. Hence, it is necessary for donors to expect long term gradual democratization effects of governance aid and focus support on specific areas democratizing countries require.

Diversify Aid Implementation Mechanisms through Partnerships with Civil Society Organizations and Like-minded Donors

The majority of South Korea's foreign aid is based on inter-governmental contracts with recipient countries. Foreign aid disbursed through partnerships with non-governmental civil organizations still remains at around 4%. This is significantly different from the Western donor countries' approach of channeling support for civil societies in recipient countries through non-governmental routes.

Article 2 of the Framework Act on International Development Cooperation defines international development cooperation as “concessional and non-concessional development cooperation directly or indirectly provided to developing countries (hereinafter referred to as “bilateral development cooperation”) and multilateral development cooperation provided through international organizations by the State, local governments or public institutions for the development and welfare of developing countries.” In this act, the international organizations mean organizations that South Korea financially contributes or cooperates among development-related international organizations (including non-governmental organizations) determined by the OECD DAC. Therefore, based on this provision, joint projects can be pursued through non-governmental international organizations. With this legal feasibility, Korean government needs to diversify its aid implementation to a more innovative mechanisms involving domestic and international non-governmental organizations and civil partnerships.

One can also consider ways to further activate multi-bilateral assistance. Multi-bilateral assistance is a system where funds are entrusted to international organizations for implementation with specifying the purposes, distinguished from multilateral aid where international organizations have decision-making authority. This approach allows donor countries to leverage the experience and expertise of international organizations while avoiding political sensitivities compared to inter-governmental aid. Donor countries including South Korea have utilized UN agencies in need of urgent relief aid during disaster or dispute of fragile states (Cho et al. 2015). Utilizing this approach for democratic aid could help leverage the specialized expertise of international organizations dedicated to democracy support while adhering to the principle of non-interference in the politics of recipient countries. Partnerships can be arranged with the like-minded donors as well. Sharing the common goals, democratic donor countries can scale up development assistance by cutting administrative costs of aid recipient countries and also producing synergistic effects between them.

Conclusion

South Korea is a representative donor state that has achieved both economic development and democratization. However, regarding aid supporting democracy in aid partnership countries, Korea has been passive, lacking clear principles and norms. At a time when democracy is receding globally, there is an urgent need to establish a framework for democratic aid. This article suggests that while it may not be feasible to drastically change Korea's existing aid policies focused on economic and social development, it is imperative to urgently establish a democratic aid framework. Specifically, first, increase support for democracy in areas such as election support, citizen participation, and free press, moving beyond traditional government capacity building or technical assistance aid. Second, focus on emerging democracies that lie between authoritarianism and consolidated democracies when selecting recipient countries. Third, through partnerships with domestic and international civil organizations and collaborations with democratic donor countries sharing the same values, execute aid more directly to the civil society and media in aid recipient countries. The starting point for these reforms is to align the aid classification systems with DAC donor countries while designing programs tailored to Korea's circumstances. Contribution diplomacy through aid should be complemented by assisting democratic governance more proactively. Without democratic governance, sustainable development and stable peace are challenging to achieve. ■

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