

**South Korean Public-Private Actors as the New  
Emerging Donor:  
The Case Study of Saemaul**

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## Table of Contents

### **Introduction**

#### **Chapter 1. Literature Review**

1.1 An Overview of the new development cooperation landscape:

Traditional Donors vs Emerging Donors

1.2 Brief History of South Korean ODA: From a Recipient to a Donor

1.2.1 Korea as a Recipient

1.2.2 Korea as an Emerging Donor in Global ODA

1.3 Korean ODA: Narrative of "Exceptionalism" and The Reality

1.4 Chaebol and ODA: Marketisation of Foreign Aid Lexicon

#### **Chapter 2. Methodology**

#### **Chapter 3. Case Study: A Global Saemaul Project in Vietnam to Enhance**

##### **Agricultural Value Chains**

3.1 General Overview of Saemaul Undong

3.2 Global Saemaul Undong

3.3 KOICA-CJ Saemaul Undong in Vietnam

#### **Chapter 4. Discussion**

4.1 Narrative of "Exceptionalism" and Uniformity

## 4.2 "Exceptionalism" or Strategic Extending of the Chaebol's Interest to Overseas

### Conclusion

### **List of Acronyms**

- Asian Development Bank: ADB  
Civil Society Organisation: CSO  
Creating Shared Value: CVS  
Export-Oriented Industrialisation: EOI  
Foreign Direct Investment: FDI  
Global Saemaul Project in Vietnam: GSV  
Global Saemaul Undong: GSU  
Global Saemaul: GU  
Global Value Chains: GVCs  
Knowledge Sharing Program: KSP  
Korean Development Institution: KDI  
Korean International Cooperation Agency: KOICA  
Ministry of Foreign Affairs: MOFA  
Multi-National Corporations: MNC  
Official Development Assistance: ODA  
Organisation of Economic Cooperation and Development – Development Assistance  
Committee: OECD-DAC  
Other Official Flows: OOF  
Public Private Partnerships: PPPs  
Small-Medium Enterprises: SMEs  
Socio-Economic Development Strategy: SEDS  
South-South Cooperation: SSC  
Transnational Corporations: TNCs  
United National Development Programme: UNDP

### **List of Figure**

1. Summary of Global Saemaul Undong in Vietnam

### **List of Figure**

1. Structure of Global Saemaul Undong in Vietnam



## **Abstract**

The role of new/emerging donors and non-state actors has drawn attention over the last decade. In this context, South Korean has grounded its identity as a middle power, exporting its model of Official Development Assistance (ODA). The country recently joined the Organisation of Economic Cooperation and Development (OECD)- Development Assistance Committee (DAC) in 2010. This paper explores how the South Korean state actors and non-state actors have cooperate and interacted in forming the field of development cooperation and explores some of the challenges raised by this interaction. To examine South Korea's development cooperation, this paper looks at how the private sector have been integrated into Korean development initiative through the case study of Global Saemaul Undong in Vietnam (GSV). As such, it can help us better comprehend how private actors involved in Korean ODA through the public-private partnerships (PPPs). The paper shows that ODA policies in South Korea has been shaped through interaction and competition between various stakeholders and policy narratives.

## **Keywords**

Keywords: South Korea; Official Development Assistance (ODA); Public-Private Partnerships (PPPs); Global Saemaul Undong; Chaebol; KOICA



## **Introduction**

South Korea as an emerging donor has become a member of the organisation of Economic Cooperation and Development- Development Assistance Committee (OECD-DAC). The country received total aid of 12.8 billion USD from the international community from 1940 to the early 1990s. The Korean economy was highly relied on foreign assistance, particularly from the US during the post-war period (1950-1953) (Chun et al., 2010). The country utilised aid to restore the nation from post-war inflation and to rebuild financial stability through investment in certain industries: construction, chemical fertiliser, metal, and oil through the aid (Kim, 2016). It enabled a dramatic economic growth at an average rate of 4.9 % from 1954 to 1960. This unique experience of rapid industrialisation has got attention from the international society (Kim, 2016; Sial and Doucette, 2020).

On the other hand, the South Korean government strategically positions itself as a middle power by aligning its development policies to liberal norms which is set by DAC (Kim, 2016; Watson, 2014; Schwak, 2019; Sial and Doucette, 2020). One of the major factors underpinning South Korean Official Development Assistance (ODA) model is the country's experience of rapid economic development (Kim, 2016). The country promotes development cooperation based on its experience of development, arguing the "exceptionalism" of model (Schwak, 2018) which is distinct with traditional aid model (Watson, 2014). Nevertheless, there have been scepticisms on its objective of development cooperation, criticising the country's materialistic objectives of foreign aid (Kalinowski and Cho, 2012; Schwak, 2019; Sial and Doucette, 2020). Such accounts argue that Korea has utilised the ODA as a tool to secure resources in Asian countries or to expand the Korean conglomerates (hereafter chaebol)'s markets in developing countries. For instance, Vietnam as a fast-growing middle country has become the priority destination for the South Korea's ODA (KOICA, 2014a). ODA disbursement coincides with chaebols' intense capital mobility towards

Southeast Asia (Chun et al., 2010). Vietnam has received large investments from Korean companies and heavy industry companies (Chun et al., 2010). The Korean state has also provided generous funding for large infrastructure projects in Vietnam, often securing the participation of chaebols from the construction sector in these projects. Ministry of Foreign Affairs (MOFA) mentioned that a growing expansion of the chaebol to overseas implies the interaction between economic interests and flows of development assistance (cited in Sial and Doucette, 2020). Yet, some of questions have not been addressed: In what ways, the chaebol has been integrated into the field of development cooperation? How has the state promoted the private actor's participation in shaping and implementing ODA policies? In what ways, the South Korean ODA responds to DAC norms as a newly joined member and new emerging donor?

To address these questions, this article will first identify how South Korea as an emerging donor has shaped its narrative for development cooperation and whether Korean model aims to export a developmental alternative. Throughout the study, this article has questioned the divergence between the South Korea's narrative of foreign aid and its practice in the field of development cooperation. This paper does this in order to better understand how the legacy of South Korean "developmental state" (Evans, 2019) has influenced in shaping the field of development cooperation and comprehend some of challenges raised by this legacy.

To explore this divergence between the narrative and the practice, this article draws upon research into the case study of Saemaul project in Vietnam. This paper seeks to answer, "Within the case study of Saemaul, how do South Korean public and private actors interact in shaping the field of development cooperation as a new emerging donor between OECD (Organisation for Economic Co-operation and Development) and Southern donors?". The Saemaul movement is a rural development movement in South Korea which



was undertaken by the dictator regime in the 1970s (Doucette, 2020). Since 2010s, the Korean government has promoted the Saemaul project as the country's new developmental modality for rural development, aiming to export its model to developing countries. The South Korean government establishes 'Global Saemaul Undong' as a new modality of development cooperation. The 'Global Saemaul Undong' seems to promote exporting the South Korea's "developmentalism" (Schwak, 2018) by putting an emphasis on the country's experience of rural development (UNDP, 2015). The Global Saemaul Undong is a framework to improve local communities' self-reliance as a grassroots rural development movement. Especially, this paper will discuss 'Global Saemaul project' in Vietnam. The project was implemented under the umbrella term of public-private partnerships (PPPs), undertaken by Korean International Cooperation Agency (KOICA) and CJ CheilJedang (one of the largest South Korean food Multi-National Corporations (MNCs)). Through the case study, this paper aims to identify some of challenges arouse by the interaction between the public and private actors in the field of development cooperation. Therefore, by looking at the realities of private sector's engagement in development cooperation, this literature seeks to contribute to South Korea's for broader implication for the private sector's participation into development assistance.

Through the case study of Saemaul movement in Vietnam, this article has identified that South Korea reflects its experience of rural development in ODA policy making, underlying its uniqueness. Additional to its "exceptionalism", the country cooperated with the private actor through public-private partnership programme to comply with the liberal global norms. Here, the liberal norms refer the standards for development cooperation which is set by traditional Western donors. Therefore, this paper will argue that this can be interpreted as South Korea has shaped its ODA narrative by highlighting the "exceptionalism", aiming to export its development model and the "uniformity" (Schwak, 2019) to respond

to DAC norms. Therefore, I have found out that South Korea has institutionalised the private sector's integration into development cooperation through public-private partnerships in order to respond to global agenda for privatisation of development. The institutionalisation can be interpreted as an accountable way of integrating the chaebol into ODA policies by intensifying South Korean ODA model's legitimacy internally and externally. Therefore, the term PPP is used as a legal rationale to enhance legitimacy of the chaebol's participation in the field of development cooperation.

This will be followed by an explanation for the institutional elements which have affected to the chaebol's integration into the ODA policy making process. This will help us better understand the existing state-chaebol's nexus in the field of development cooperation and some of challenges raised by this state-chaebol's nexus. The case study of Saemaul shows that the strong feature of developmental "path dependency" (Pierson and Skocpol, 2002) has enabled the close relationship between the state and chaebol to be embedded in and expanded to the field of development cooperation under the "post-developmental regime". Under the old "developmental state", the chaebol participated in state-led initiatives such as infrastructure investment and employment strategy, given advocate and protection from the government (Schwak, 2018). To this date, the South Korean government has played a crucial role for establishing a relationship with the Global South (Kalinowski and Park, 2016). The government serves to ensure resources and markets in developing markets through the development cooperation (Kalinowski and Park, 2016). Even though the role of state has diminished, the state still has a crucial role in the field of development cooperation by securing resources and market in emerging economies (Schwak, 2018). Despite of the dismantlement of "developmental state", the "developmental state" elements still can be found in the development cooperation, promoting same objectives of nurturing industries and enabling investment internationally (Schwak, 2018). However, contrasting to

the “developmental state”, the state serves as supervisory and regulatory role for the chaebol to extend their market in developing countries (Schwak, 2018).

The case of Saemaul project in Vietnam serves to illustrate the divergence between the narrative of Korean ODA and its practice in which the element of “developmental state” is still embedded in the field of development cooperation. Indeed, Vietnam has been prioritised as a development partner by KOICA, which is aligned with the chaebol’s expansion in South Asia (Chun et al., 2010). KOICA initiated the Saemaul project in Vietnam to establish a partnership with a private company under the term of PPPs. CJ was able to be given the opportunity to expand its value chains to Vietnam through the assistance of KOICA. The project is marked by state-led and the close interaction between the government agency and the chaebol. On the other hand, the case study shows some of challenges arouse by the close existing legacy of “developmental state”. The Saemaul project in Vietnam can be seen as the country’s effort to promote the chaebol’s participation into foreign aid policies through PPPs, exporting of South Korea’s experience of rural development. Therefore, the case of Saemaul Undong in Vietnam shows that the state-business nexus defines elements of South Korean ODA narratives and reality. The GSU in indeed supports the chaebol’s expansion to overseas market in the developing country.

Henceforth, this paper will proceed as follows: chapter one will offer a brief literature review of main contender for explaining South Korea’s ODA. This will be followed by a section to situate how South Korea as an emerging donor has shaped its narrative for development cooperation, positioning itself between OECD-DAC and SSC. This section will illustrate how the country has emphasised its developmental experience to intensify the legitimacy of its foreign aid model at international and domestic levels. In the following section, I will explore how the private and public sector have interacted to realise its created policies in the field of development cooperation. It will be followed by the section which

describes the legacy of “developmental state” in “post-developmental regime” (Schwak, 2018) , arguing that its features of “developmental state” have still embedded in the field of development cooperation by creating the close relationship between the public actor and the private businesses. This section will conclude with a summary of each theoretical framework and their understanding for Korean ODA model. In chapter two, this paper attempts to use the case study methodology in order to identify how the private and public actors have interacted in shaping the field of development cooperation. Next, chapter three will provide the general overview for Saemaul project and Global Saemaul programme as a new developmental modality for South Korean government. Chapter four will examine how the Korean government has shaped the narrative “exceptionalism” through the Saemaul project and how the former “developmental state” uses aid as a tool to extend strategic relationship between the state and the private business. In this chapter, this paper will further discuss the issues aroused by the chaebol’s integration into the development cooperation project. This paper will conclude with this paper with a summary of the key arguments made and their broader implications for sense-making policy perspective.

### **Chapter 1: Literature Review**

Chapter one will offer a brief literature review of my main contender for explaining South Korean ODA. To do the research, I have used following key terms as such: ‘South Korean ODA’, ‘Saemaul Undong’, “Middle Power Theory”, ‘Chaebol’, ‘Korean PPPs’, and ‘Developmental state’. To answer the research question, this paper has adopted this term since these terms illustrates the South Korea’s position as an emerging donor in the development cooperation. Also, the “Middle Power Theory” and ‘Korean PPP’ well describes South Korea’s position as a recently joined OECD/DAC who has a duty to be consistent with DAC’s liberal norms. Much of scholarly literature of Korean ODA have identified the

legacy of “developmental state” as underpinning the Korean foreign aid model, explaining chaebol’s integration into ODA policies (Evans, 2019; Sial and Doucette, 2020; Wade, 2004)

### **1.1 An overview of the new development cooperation landscape: Traditional Donors vs Emerging Donors**

In recent years, the architecture of development cooperation has changed to a more complicated and varied due to the new emerging donors and approaches (Mason and King, 2001). Different models of development cooperation determine the development approaches to ODA (Chaturvedi et al., 2021. P. 113). Especially, much of scholarly literature of foreign aid has identified the distinction between traditional and emerging donors. In this section, I will explore the characteristics of the new emerging donors and the aid patterns of traditional Western donors. By looking at the characteristics, it can help us better understand the division of key foreign aid players and new challenges raised by the emergence of new donors in the field of development cooperation.

Western countries who follow norms set by OECD/DAC are categorised as traditional donors. The OECD Development Assistance Committee (DAC) has dominated development cooperation by defining norms for development assistance. The norms were established under the Marshall Plan, mainly by the United States in 1948 (Chaturvedi et al., 2021 pp. 191). Here, the Official Development Assistance (ODA) refers to that “being administered with the promotion of the economic development and welfare of developing countries as its main objective” (Chaturvedi et al., 2021 pp. 187). Their approach seeks to provide financial and technical aid to recipients by reflecting recipients’ own development strategies (Chaturvedi et al., 20121). There are certain conditions to receive aid from DAC-member countries: democracy, governance, human rights advocacy, gender, and labour rights, and protect environment (Kim, 2016).

On the other hand, emerging donors clearly have differences, avoiding following DAC (Development Assistance Committee) norms (Chaturvedi et al., 2021. P. 91). The mainstream development cooperation agenda has been largely shaped by Western donors through bilateral aid, multilateral institutions, and non-governmental organisations (Chaturvedi et al., 2021, pp. 435). Decolonisation process enables the evolution in the development cooperation norms. Within the post-colonial region, the cooperation based on “mutual interest” and “respect for national sovereignty” (Van Eekelen, 1964). Since 1990, the new donors have emerged as an aid alternative to the mainstream norm of development cooperation, which is set by DAC, aligning with the rise of “the South” especially Asia such as China and India (Van Eekelen, 1964). They emphasise the increasing importance of South-South cooperation (SSC). SSC includes China, India, Thailand, Malaysia, Bangladesh, and Mongolia (Chaturvedi et al., 2021, pp. 435). Because of the rise of Global South, the concept of “aid” has evolved to new forms of development partnership and finance (Pezzini, 2012).

In this context, “aid effectiveness” has positioned as the next stage of the “Aid 2.0” paradigm of aid (Watson, 2014). According to Watson (2104), this innovation puts emphasis on results-based aid, and the quality of aid rather than aid quantity. Here, the importance of county ownership, institutional alignments, and policy harmonisation were discussed and underlined (Watson, 2014). On the other hands, there was scepticism emerged from the Global South, arguing that the OECD-DAC’s view to “aid effectiveness” is an elite’s approach. Resultantly, in the Busan High-Level Forum (HLF-4) in Busan, the focal point shifted from “aid effectiveness” to “development effectiveness”. During the HLF-4 in Busan, a more inclusive form of development was discussed as below.

*“South-South and triangular cooperation, new forms of public-private partnership and other modalities and vehicles for development have become more prominent complementing north-south forms of cooperation.” (Busan 2011: Nos 1 and 5)*

Development finance pertains to trade, Foreign Direct Investment (FDI), and export credits and so on rather than aid itself (Pezzini, 2012). The SSC can be characterised as the ‘complete equality, mutual respect’, ‘mutual interest’ as well as ‘horizontality.’ On the other hand, aligning with the growing importance of economic development in the 1990s and early 2000s, the emphasis on social and economic infrastructure has increased to eradicate poverty and to achieve development (Chaturvedi et al., 2021, pp. 523). Resultantly, SSC has underlined transformational investments as well as Korean and Japanese aid to reduce the global infrastructure gap. Thus, they have shared the common characteristics additional to supporting infrastructure development: a tendency to focus on supporting production sectors; a sizeable share of concessional loans; emphasising on the knowledge sharing, training, and transferring of technologies (Chaturvedi et al., 2021, pp. 524). Here, the relative importance of ODA has substantially decreased as an external finance for developing countries.

Yet, some scholars argue that new emerging donors tend to seek their political and economic interest rather than encourage development in developing countries (Chaturvedi and Mulakala, 2016; Cheok, 2017; Watson, 2014). As a part of mutual benefit approach, SSC has been used as a mean to exchange for access to natural resources in partner countries. This unclear distinction of aid from other types of economic flows has raised concerns of aid utilising as a tool for extract resources from developing countries (Watson, 2014). Especially, some analysts called China as a “rogue donor” since the aim of their aid is to access to raw materials with advocating their own ideological agendas. Even though it is true that

the Western donors did same things in the past, the author argues it is less today (Watson, 2014).

To summarise this section, the new and unexpected issues due to globalisation has risen the need of new arrangements in the framework of development cooperation at many levels. It ranges from the coordination among various ODA providers such as traditional donors and new emerging donors from the global South; among new aid modalities such as private actors, Civil Society Organisations (CSOs), and the private foundations; and coordination between aid and other types of capital flows, FDI and remittances and trade (Kim et al., 2013). Emerging donors have grounded their ODA model as an alternative to traditional donors by challenging the existing architecture of development cooperation which is set by traditional Western donors. Especially, the Asian donor's ODA model is based on the value of "mutual interest" and "respect for national sovereignty".

## ***1.2 Brief History of South Korean ODA: From a Recipient to a Donor***

### ***1.2.1 Korea as a Recipient***

Korea received total aid of 12.8 billion USD from the international community from 1945 during the aftermath of the Korean War to the early 1990s (Stallings and Kim, 2017 p. 54). The Korean economy was highly relied on foreign assistance, particularly from the US during the post-war period (1950-1953) (Lee, 2004). The country utilised aid to restore the nation from post-war inflation and to rebuild financial stability through investment in certain industries: construction, chemical fertiliser, metal, and oil through the aid. It enabled a dramatic economic growth at an average rate of 4.9 % from 1954 to 1960 (Lee, 2004).

In 1962, the country promoted the first Five-Year Economic Development Plan (1962-1966). This included an extensive trajectory for industrialisation policies (Stallings and Kim, 2017 p. 54). The country promoted an export-oriented industrialisation (EOI) strategy in



the mid 1960s wherein only few players such as Japan, Taiwan, Hong Kong, and Singapore were in export market (Stallings and Kim, 2017 p.54). The Korean government afforded significant support to Korean corporations to compete in overseas market (Kim and Kim, 2014). The theories of “developmental state” help us understand the economic and social development in South Korea. The “developmental state” theories emphasise the role of state in social and economic development (Evans, 2019). South Korea has shifted its position from ‘underdeveloped’ to ‘developed’ which is unprecedented among developing countries in 21<sup>st</sup> century (Evans, 2019). In ‘the developmental regime’, dense ties between the state actors and entrepreneurial elites were formed by realising the successful industrial transformations (Evans, 2019). Under the regime of “developmental state”, the Economic Board was established to discuss the nation’s economic development, involving the Ministry of Finance, the Ministry of Commerce and Industry, and large private enterprises (Stallings and Kim, 2017 p. 54). Johnson (1982) provided an analysis of Japanese development, establishing the bases for the model of “developmental state”.

In the second Five-Year Economic Development Plan (1967-1971), EOI was promoted. The government’s Five-Year Economic Development Plans allowed the “developmental state” to use foreign aid as the provider of capital to the private sector (Lee, 2004). In 1995, Korea graduated from the World Bank’s lending list and turned into a member of OECD in 1996 (Lee, 2004). By the mid 1990s, Korea has made a transition from a recipient country to an emerging OECD country, and to a member of G20 in 2009 (Lee, 2004). Consequently, during the “developmental state”, large business conglomerates was able to grow in the domestic market and in exporting final goods because of government’s initiatives and industrial policies “governed the market” (Wade, 2004).

### ***1.2.2 Korea as an Emerging Donor in Global ODA***

South Korea as an emerging donor and member of OECD DAC has grounded its ODA policies on its own development experience (Chun et al., 2010). The country has now become an Asia's fourth largest economy, graduating from an aid recipient status in 1995 (Kim, 2016). The country joined as a member of the OECD's Development Assistance Committee (DAC) in November 2010. Korea's development aid has principally been managed and implemented by Korean International Cooperation Agency (KOICA) and the Economic Development Co-operation Fund (EDCF). Whilst KOICA providing bilateral grants, the EDCF supervises bilateral loans. South Korea as a DAC member have shared the characteristics with traditional Western donors and Southern donors. Whilst following the norms set by DAC as members of OECD/DAC, two countries have common features with the Southern donors in the sense of advocating mutual benefits and horizontality.

### **1.3. Korean ODA: Narrative of "Exceptionalism" and The Reality**

South Korea as DAC member positions itself between OECD-DAC and South-South development cooperation (Kim, 2016). By positioning itself between OECD and SSC donors, Korea as a new emerging donor retains characteristics associated with both traditional and non-traditional donors (Sial and Doucette, 2020). To describe South Korea's position as an emerging power in the field of development cooperation, Baydag (2021) uses the "Middle Power Theory". The "Middle Power Theory" offers an explanation that South Korea's foreign aid discourse aligns with DAC norms as a result of being a DAC member (Baydag, 2021). On the other hand, the country's aid policies converge with emerging Southern donors, challenging the "one-way giving" between partners (Davis and Taylor, 2015).

The field of development cooperation has been a place for norm competition where the traditional donors are challenged by new Southern donors (Chaturvedi et al., 2021). In this context, South Korea has constructed "middle-power identity" (Chaturvedi et al., 2021)

using its development experience. The “Middle Power Theory” insists that Korea as a middle power country has bridged the developed countries and the developing countries (Chaturvedi et al., 2021). The Korean government has emphasised its role as a liberal and responsible “middle power” (Chaturvedi et al., 2021). To remain its competitiveness as a “middle power” in the field of development cooperation, it is crucial to note that South Korea’s approach to aid is a combination of Asian and Western aid models (Kim, 2016). South Korean ODA shares characteristics with Asian donor in the sense that it tends to concentrate on bilateral aid (Watson, 2014). Additionally, the country shares another feature with Asia donor in terms of putting values on the importance of self-help, responsibility, austerity and humility. Thus, the aid is promoted in way that the local knowledge, and non-intervention without conditionalities are emphasised (Brown et al., 2013). Also, the Asian donors are more likely to promote its developmental experience to justify its aid model. Compared to the Western donor, the Asian donor links its historical experience of being a recipient with becoming a donor (Watson, 2014). The Korean government has promoted its ODA model as an alternative to the traditional donor’s foreign assistance model (KOICA, 2017). South Korean ODA model shares the characteristics with the aforementioned Asian donors and the Western donors as a newly joined member of OECD/DAC (Kim, 2016). The country has become an important player in the field of development cooperation due to its combined approach to foreign aid (Brown et al., 2013).

One of the central characteristics of Korean aid is using its own experience to promote development in developing countries in distinction its ODA model with traditional “Western” donors (Watson, 2016). Thus, the country has promoted its experience of development as a new form of developmental modality (Chaturvedi et al., 2021, pp. 440). Also, the membership of OECD-DAC increased its global reputation as a “recipient-turned donor” country (Baydag, 2021). For instance, the Knowledge Sharing Program (KSP) embodies the

South Korea's approach to foreign aid (Kim, 2016). The narrative for "exceptionalism" promotes South Korea's development experience as a 'solution' and 'alternative' to traditional donor's foreign aid model (Sial and Doucette, 2020). The country's experience of overcoming poverty and horizontal relationship with development partners in the global South are emphasised, resisting neo-colonialism (Chun et al., 2010). Its approach to development assistance is based on "shared experience" of the country's economic development (Sial and Doucette, 2020). By underlining its development experience, South Korea's ODA tends to be "knowledge-intensive development and economic cooperation programme" (Sial and Doucette, 2020). To build a global reputation of its development assistance model, Korea accepted the "Strategic Plan for International Development Co-operation" in 2010 to intensify the country's ability as a development partners (Schwak, 2019). Especially, the High-Level Forum on Aid Effectiveness (HLF-4) in 2011 was held in Busan, South Korea which was hosted by the World Bank and the OECD. The country advocated a shift from aid to "development effectiveness" in which the various forms of development cooperation is endorsed such as the participation of private sector beyond aid flows (Kim et al., 2013).

On the other hand, there are three characteristics of Korean ODA which offers an important implication for current affair of Korean ODA: regional bias for foreign aid, high ratio tied aid, and high level of concessional loan (Chun et al., 2010). One of the central characteristics of South Korea's foreign aid practice is a sizeable share of Asian countries as geographical destinations for foreign aid. Asian countries such as Vietnam, Indonesia, Cambodia, the Philippines, Bangladesh, Mongolia, Laos PDR, Sri Lanka, Nepal, Pakistan, and Myanmar accounts for 52.2 percent of ODA in 2008 (Chun et al., 2010). There has been a strong correlation between Korean ODA flows and trade volumes from 2008 to 2013 (Chun et al., 2010). Therefore, the country's ODA is characterised by the regional

bias to middle-income countries rather than least developed countries. Especially, Vietnam as a fast-growing middle-income country is a strong ODA partner (KOICA, 2017). Significant Korean capital has invested in Vietnam who has enormous impact on Korea's industrialisation (Kim et al., 2013). Also, the country shows the high percentage of concessional loans, whilst having a low grant ratio compared to other DAC members. The country's preference for concessional loans can be interpreted as its belief in loans will enable more fiscal prudence than grants based on its experience of successfully leveraging concessional loans (Chun et al., 2010). Despite of the OECD's effort to reduce the percentage of tied assistance, South Korea still shows high level of tied aid among OECD members (OECD, 2008). There has been growing concern on tied aid as it is more likely to diminish the value of aid and "effectiveness", reducing the ownership of recipient's country by increasing donor countries' interests (Watson, 2014). Indeed, DAC's special review paper in 2008 indicates the need of increasing the proportion of Korea's untied aid in its development assistance. In 2010, the country's level of untied aid was 36 per cent (OECD, 2010). This is a significantly lower than the European Union institution's percentage of bilateral aid which is amounted to 54 per cent in 2010 (OECD, 2010).

As Korean aid increase so did scepticism of it. The Korean ODA policy has been a contested terrain with regard to its motivation for foreign aid and the divergence between the created narrative and the reality of development cooperation (Schwak, 2018). Aforementioned features of aid have raised the question of the mismatch of development narratives and practice in Korean ODA policies (Schwak, 2018; Sial and Doucette, 2020; Kalinowski and Park, 2016). They criticise the materialist objectives of the Korean ODA (Schwak, 2018; Sial and Doucette, 2020; Kalinowski and Park, 2016). They have pointed out the discrepancy between South Korean ODA narratives which advocate state

“developmentalism” and the reality of Korean foreign aid in developing countries (Kim, 2016; Kim, 2019; Sial and Doucette, 2020).

The narrative seems to support the export of its developmental model by aligning with DAC norms and highlighting the uniqueness of South Korea’s development cooperation model (Chung, 2009). In contrast, the country has targeted fast growing countries to secure the private businesses’ overseas expansion in developing markets rather than exporting its developmental model to developing countries (Schwak, 2019; Sial and Doucette, 2020). By prioritising economic opportunities than humanitarian motives, the country has ensured resources and market opportunities in middle-income countries (Doucette, 2020). Additionally, the high level of concessional loans and high ratio of tied aid can be interpreted as the country’s materialist objectives of ODA. Schwak (2018) argues that the “developmental state” was reduced with the emergence of neoliberalism in the 1980s. To enable chaebol’s investment in the global South, Korea’s ODA system operates under the neoliberal framework by exporting neoliberal solutions to the developing world (Schwak, 2018). Schwak (2018) questions the adequacy of Korean ODA model in the global South, arguing its inconsistency between the nation’s narrative of “exceptionalism” and the realities of its ODA in developing countries. South Korea has shared the characteristics of Asian donors by promoting foreign direct investment and other official flows (OOF) (Watson, 2018). As mentioned earlier, Asian donors have utilised ODA in a complementary way with FDI and other OOF. South Korea also shares the similarity with other Asian donors by reflecting the country’s economic needs in development cooperation strategy (Kim and Shin, 2022). The fact that Korea promotes “win-win strategy” in the Framework Act serves to show how the need of private sector’s participation is reflected in development assistance policies to secure South Korea’s exports and FDI in developing countries.

To summarise the section, South Korea's ODA complies with the DAC's global aid norms, with emphasising its role as a middle power to bridge the developing countries with the developed countries. Yet, it positions itself between OECD and SSC, describing itself as a development partner with horizontal relationship with developing countries. In this section, I have explored how the Korean ODA narrative has shaped in which the "exceptionalism" of its model is supported by underlying the country's experience of becoming a donor country from a recipient. Throughout the section, I have also looked at the characteristics of Korea's ODA: regional bias to fast-growing middle-income countries, high level of concessional loans, and high ratio tied ratio. However, this narrative of "exceptionalism" has faced the criticism due to the inconsistency between the policy narrative and the practice of South Korean foreign aid in developing countries (Schwak, 2018). As a latecomer player in the global economy, Korea has sought to secure national interest through aid. Consequently, the reality of Korean foreign aid is moving away from its "recipient-based" approach which is emphasised in its foreign aid narrative, securing Korean business and energy security through aid. Resultantly, it is inevitable to avoid criticism that Korea's ODA approach seeks to secure the country's national economic interests instead of being response to recipients' needs.

#### ***1.4 Chaebol and ODA: Marketization of Foreign aid Lexicon***

To comprehend the divergence between the narrative and its practice, this section aims to emphasise the need of understanding the legacy of "developmental state" in South Korea which has embedded in shaping the field of development cooperation. Also, the role of chaebol and the state to implement international development cooperation projects will be explored. In the following section, I will argue that the persistence of Korea's "developmentalism" has affected Korea's ODA. Resultantly, Korea's ODA plays a role for extending developmental state's mercantilist policies.

Essential aspect of country's development experience pertains to "developmental state" (Schawck, 2019). Under the "developmental regime", the state had a strong power to promote economic development; a centralised agency within the state which organised a development framework; a meritocratic bureaucracy; and a close relationship between the public and private actors (Kim, 2016). In the early 1960s, the offshoring from South Korea facilitated chaebol companies to reinforce and sustain their competence with Global Value Chains (GVCs) (Sial and Doucette, 2020). The state provided protectionist financial market policies enabled the rapid economic growth, advocating rigorous regulations and substantial penalties for lawbreakers (Stallings and Kim, 2017). By giving incentives to the private businesses, the state encouraged the private actors to participate in economic growth. Under the "developmental regime", chaebol was subordinated to the "developmental state" as bureaucrats have the strong autonomy for economic development (Kim, 2004). Align with a shift towards a democratic neo-liberal state and the chaebol's conversion into transnational corporations (TNCs), chaebols became to have more political autonomy (Kim and Kang, 2015). In 1993, the globalisation intensified the chaebols' expansion to overseas markets through the participation in GVCs. The chaebols' inclusion in GVCs enabled them to have more political power by affirming more political views (Sial and Doucette, 2020). This allowed the transformation of Korea into a "Chaebol Republic," with growing chaebol's autonomy (Sial and Doucette, 2020).

On the other hand, because of the high dependency of national economy on chaebol's economic incomes, the state-business relationship is featured as interdependence (Kim et al., 2013). Because of this interdependency, the government has acted as a supporter for private interests to ensure the Korean business competitiveness (Kim, 2004). This interconnected relationship enables that chaebol benefit through institutional framework and cooperation with state bureaucrats under the "post-developmental regime" (Schwak, 2019).



Therefore, despite of the dismantlement of the developmental state's institutional apparatus, the developmental alliance between business and bureaucrats still features in policy-making institutions (Schwak, 2018). According to Schwak (2018), Korean development assistance illustrates how the "path-dependency" of the Korean "developmental state" has enabled the integration of corporate interests into foreign aid policies. "Path-dependency" explains the persistence of certain characteristics of political development (Pierson and Skocpol, 2002). The authors further argue that "path dependency" can help analyse power in social relationships, describing how the inequalities of can be enlarged and embedded in organisations and institution (Pierson and Skocpol, 2002). Accordingly, this can explain the persistent informal and structural participation of business actors in domestic and foreign policy-making process. Thus, the "post developmental state" has retained, configuring consistent negotiation and interaction with chaebol (Evans and Heller, 2019). Consequently, this domestic relationship has embedded into the foreign aid policies. According to Evans and Heller (2019), through "adaptive partnerships," the state and businesses have been mutually benefitted to work together towards the goal of ensuring economic security in the global system. Because of the perception that business interests are national interests, the corporate orientation of ODA was intensified under the conservative administration. The interdependent relationship between the businesses and the state has enabled both actors to benefit from each other (Kim and Oh, 2012). ODA procurement is a sector where private firms need to depend on the state to access market. Since the state plays a key role in development assistance, TNCs can get supports from the state's diplomatic ability to assure its access to global procurement contracts (Kim and Oh, 2012). The state also benefits through the partnership with TNCs by securing the national economic interests through ODA projects. Accordingly, the private sector has been structurally involved in aid system (Kim and Kang, 2015).

However, this role is not allowed to be seen from the public eye due to the several domestic scandals (Sial and Doucette, 2020). Therefore, while the private actors have been structurally and informally integrated into the Korean ODA, they have also involved in institutionally (Schwak, 2019). To legalise controversial practices of public-private collusion, the state uses global agenda of development privatisation. In order to comply with the fourth principle of the Paris Declaration, the participation of private sector is institutionalised through public-private partnerships by enhancing transparency and mutual accountability. Public Private Partnerships (PPPs) as an institutional tool to strengthen the legitimacy of chaebols' integration into aid projects (Glassman and Choi, 2018). Resultantly, the engagement in public-private partnerships (PPPs) allows conglomerates to integrate into development cooperation project in developing countries. In this process, the state plays a role to advocate businesses through diplomatic support and financial protection (Schwak, 2018). The government is keen to intensify the private actor's engagement in development cooperation projects. Therefore, Whilst the country has been able to be consistent with DAC norms through the institutionalisation of PPPs, the chaebol's integration into the development cooperation has been enabled through the state's diplomatic advocate from the state.

In summary, the South Korea's rapid economic development has been attributed to a result of successful "developmental state", gaining attention from global society. Under the "developmental regime", national interest and development ideas justifies the creation of government's supports for the interest of chaebols. The "path dependency" of "developmental state" has still embedded into the development cooperation to this era. Therefore, the state and the business actors have benefitted from each other through the "adaptive partnerships". While the role of state is still crucial for Korean TNCs to expand its market to overseas, the businesses have contributed to the national economy. Especially, the

development cooperation remains as a sector where the state can guarantee TNC's interests, while securing the national interests. Consequently, chaebols' integration into the development cooperation has enabled due to the legacy of "developmental state" in which the state and the chaebols has benefitted from each other.

## ***Chapter 2. Methodology***

This study will use a case study method to interrogate the institutional elements, motives of foreign aid and its reality which have an impact on the creation of foreign aid policies and the implementation of these policies. Through the case study of Global Saemaul Project in Vietnam, this paper aim to investigate some of the challenges brought about by the interaction between the private and public actors in reforming policies of development cooperation. To do the case study, the empirical literatures were gathered from various actors, ranging from KOICA's internal documents, CJ CheilJedang's reports of sustainability and academic articles which have done the case study on Saemaul project in Vietnam. To identify how actors are engaged into the project, this paper has used 4 internal documents from KOICA and 2 sustainability reports from CJ CheilJedang. These empirical documents were adopted as they directly pertain to the GSV that I am using for this research paper.

This paper has considered these empirical literatures as texts which composes South Korea's ODA policy discourse using a method that makes use of discourse analysis. Critical Discourse Analysis (CDA) will allow us to unravel the political assumption underpinning policy discourses and understand the negotiation around the justification of policies that are not necessarily political (Kim, 2016). To gain proper insight into political economic strategies, the research needs to utilise an analysing text that investigates problem-solution types of arguments (Kim, 2016).

From each literature, I have looked at key terms, such as Public-Private Partnership (PPP), KOICA, and Chaebol. The context will be identified when aforementioned terms

are found to elucidate how terms were utilised to shape Korea's ODA policies and to investigate how KOICA and the chaebol interact in practice. These terms were adopted as they pertain directly or indirectly to South Korea's foreign aid policies. Whenever one of these terms were appeared, I will study the context to identify how these terms were utilised in relation to South Korean PPPs narrative and its practice in the field. This method enabled me to 1) identify terminological patterns across the empirical literatures, indicating how KOICA responding to OECD norms and promoting the "exceptionalism" and offered 2) examples of how these terms were used to specific context to shape the field of development cooperation.

To present an analysis, the paper uses Mosse (2011)'s paper as a source of analytical framework who examines critical geopolitics and constructivist international relations literature. According to Mosse (2011), policy is analysed without taking into account the power relationships in the background of the "political neutrality", "evidence" and "objectivity". According to Mosse (2011), it is crucial to view development aid as a product which is shaped by politics and diplomacy including, variety of dimensions encompassing domestic and international entrepreneurial, political, moral, and historical aspects. A variety of actors, agents, concepts, and technologies interact with each other to form the field of development cooperation (Mosse, 2011). This analytical framework allows us to critically approach to foreign aid policy as a highly advanced form of statecraft and diplomacy (Kim, 2016). Drawing on similar insights, this paper tries to comprehend the "politics of policy" in which policy is not considered as "value of money" and "effectiveness", an "indicator of performance" and "quantifiable measures" (Kim, 2016).

This research paper has a limitation in the sense that it only includes one case to comprehend the chaebol's integration into the field of development cooperation. However, it establishes some evidence and implication for Korea's; however, research is needed more

in order to generalise the results. Also, another limitation of this research is I have used secondary data instead of primary data. Due to the relatively small number of documents related to the Global Saemaul project in Vietnam, I tried my best to investigate all of KOICA's internal documents related to GSV to ensure "depth" and "validity" of the data.

This case study of development cooperation serves to illustrate how the Korean ODA narrative is shaped by the public and private actors. The paper suggests that the private sector's involvement in ODA has been used as a mean to seek legitimacy for the chaebol's expansion to the developing countries through the institutional mechanism PPPs. This paper further insists the chaebol's integration into the development cooperation can be attributed as a "path-dependency" of South Korean "developmental state".

### ***Chapter 3. Case Study: A Global Saemaul Project in Vietnam to Enhance Agricultural Value Chains***

#### ***3.1 General Overview of Saemaul Undong***

Saemaul Undong (hereafter SU) which means new village movement was conducted in the 1970s under the dictator regime of Park Chung-Hee administration. It aimed to reduce the urban-rural wage gap as a part of national modernisation project (Schwak, 2022). According to UNDP's implementation guide for Saemaul Initiative (2015), the level of absolute rural poverty was drastically reduced from 27.9 percent in 1971 to 10.8 percent in 1978. This significant decline of absolute rural poverty can be attributed to the SU, a rural development programme, conducted from 1971 to 1979 (UNDP, 2015). The movement aimed at modernising infrastructure, reforestation of mountain regions and enhancing the rural household income. With the slogan "We can do it. We will do it," it promoted changes in rural people's spirit in order to improve self-resilience. SU advocated the three key social values: diligence, self-help, and cooperation (UNDP, 2015). Two key preconditions enabled

the success of SU: land redistribution and the strong social capital. The land redistribution facilitated comparatively egalitarian rural sector with small-farm owners and few landless households. The existence of rural credit institutions, research, and agricultural extension services enabled the strong social bonding and cooperation among members of local community (UNDP, 2015).

### **3.2 Global Saemaul project**

The Korean government has promoted its development experience as a major tool for ODA policies. The SU is one of crucial representatives of the promotion of Korean development experience. The government and other state agencies and organisations support Global Saemaul project as Korea's unique model of rural development programme (Heo and Lee, 2016). There are a number of actors who are in responsible for the global Saemaul in Korea: KOICA, Rural Development Administration, Korea Development Institute, Provincial governments, Academics, International Organisations (UNDP), Korea Saemaul Centre, and Missionaries (Heo and Lee, 2016).

Global Saemaul projects were first conducted in 1990s in developing countries by KOICA and Korea Saemaul Centre (CIDC, 2017). Lee's conservative government adopted Saemaul ODA as one of the three major development assistance model with the reform of ODA system under the 2010 Strategic Plan (CIDC, 2017). Under the administration of Park who is a daughter of dictator Park, the Global Saemaul Comprehensive Plan was promoted as a South Korea's unique development assistance model (CIDC, 2017). Park administration revitalised her father's legacy of "developmentalism".

Global Saemaul projects have attracted the interest from global community by seeking to achieve social change through transformation of minds (Schwak, 2022). According to Schwak (2022), the Global Saemaul project aligns with the behavioural agenda to change the mind for reaching capitalist goals, being representing in the World Bank's Mind,

Society, and Behaviour development report. The Global Saemaul project is incorporated into the agendas of international organisations such as the Asian Development Bank (ADB), the United Nations Educational, Scientific and Cultural Organisation, and the United Nations Development Programme (UNDP, 2015). In the report, the Global Saemaul project is described as a very grassroots form of rural development paradigm which can promote self-reliance of local communities (UNDP, 2015).

On the other hand, there has been a major contention point on the global promotion of Saemaul. Some scholars view it as an “ideologically constructed” development “myth” created on dictator Park’s legacy (Schwak, 2022). Additionally, the author argues that Saemaul is a problematic as it is based on “one-size-fits-all” manner by accepting an political and problem-solution based approach. Also, some criticises that the SU strategy was used as a justification for the Park’s authoritarian regime in 1970s in South Korea. Saemaul exists between the Korean and global development circles by underlining its Schumpeterian qualities, operating within the neo-liberal framework to improve its global competitiveness. Pro-democracy advocates argue that the state engaged in authoritarian mass mobilisation to make it a success. Despite of its controversial political character, supporters argue that the project is a very grassroots form of “developmentalism”.

To summarise this section, some authors are sceptical on the SU’s historical background and its support for the capitalists’ expansion, enabling the chaebol’s primitive accumulation by promoting agricultural value chains in the rural areas of recipient's countries of Korean ODA. This allows chaebol’s expansion overseas market, which fits the state-chaebol nexus. According to Kwak (2012), the author describes that Saemaul is used as a tool to strengthen international organisations’ materialist agendas. Schwak (2022) argues that Saemaul promotes the capitalist mode of production by containing the psychological factor for primitive accumulation. The programme contributed to the transformation in people’s

mind to navigate rural mobilisation: self-help, diligence and co-operation. They attribute underdevelopment of rural area to “lazy villagers” which implies the need of self-responsible and “can-do-spirit” in recipient countries.

### **3.3 KOICA-CJ Saemaul Undong in Vietnam**

Name	Saemaul Undong in Vietnam
Region	Ninh Thuan Province: Ninh son, Lam Son, and Tam Ugan
Period	2014.5 ~ 2017.4 (3 years)
Budget	USD 16 billion
Objective	To increase sustainable agricultural production and strengthening marketability/ Inclusive and sustainable rural development/ conservation of rural production systems and natural resources by responding to climate change
Stakeholders	KOICA, CJ, the Vietnamese local government
Activities	<ul style="list-style-type: none"> <li>- Providing chili pepper seeds, building farming infrastructure, providing technical assistance, establishing cooperatives, Building factories</li> <li>- Community building, Training ‘Diligence Self-help and Cooperation,’ Improving living conditions, Education based on discussion (strengthening the community)</li> <li>- Exporting to international market through CJ’s diverse distribution channel</li> </ul>

This paper will focus on CJ Group’s Agri Value Chain Project in Vietnam since this is the first conducted Creating Shared Value-based PPP project. In this section, I will provide a brief overview of the Saemaul project in Vietnam. Vietnam is an excellent case of how the legacy of “developmental state” has influenced in the field of South Korean development cooperation and economic relations with developing countries. Vietnam is a fast-growing middle-income country where the investment of South Korean capitals has been significantly growing up for the last few years. Thus, the government has played a different role in the development cooperation, being distinct from traditional donors. The Global Saemaul Undong (hereafter GSU) in Vietnam reveals the state’s intervention in enabling chaebol’s extending into new markets in Vietnam through public-private partnerships. The



project is exceptional in terms of the duration and implementation and highlighting on skill training to enable a job-creation environment in Ninh Thuan province, Vietnam.

Vietnam is a fast-growing middle-income country which has been a destination for large MNCs investment. Also, Vietnamese is one of the top five partner countries of KOICA in Asia-Pacific which amounted to 15.7% of its aid disbursement for the region (KOICA, 2017). Especially, the country has become as a lower-middle income country, with reaching 1,130 US dollar of GNI in 2010 (KOICA, 2014a). Under the "Socio-Economic Development Strategy (SEDS) 2011-2020", the Vietnamese government aimed to accomplish a per capita income of USD 3,200 by 2020 and become an industrialised nation. It includes three policy goals: creating a socialist market economy, enhancing infrastructure, and nurturing high-skilled labours. In Vietnam, the agriculture sector amounted to 20% of GDP and 50% of jobs (CPS, 2017). The Vietnamese government established the 'New Rural Development' (NRD) which was first implemented in 11 districts in 2008 (CPS, 2017). The strategy has been broadened to national level, being integrated into National Target Program (NTP). The programme aims to the economic growth, industrial development, establishment of socio-economic infrastructure, and improving local communities' standard of living (CPS, 2017).

The joint public-private partnership project of Saemaul Undong was undertaken by KOICA and the CJ chaebol's, with the Vietnamese government from 2014 to 2017. Under the umbrella of PPPs, the project funding was shared by KOICA and the chaebol. Cheiljedang is Korea's largest food and beverage company within the CJ chaebol group (previously part of Samsung). CJ introduced its Creating Shared Value (CSV) strategies to integrate business value with social and environmental value, by creating social values by utilising the company's core capabilities (CJ, 2014). CJ examined the societal needs in a long term and the relevance of their core capabilities. On the other hand, the company had

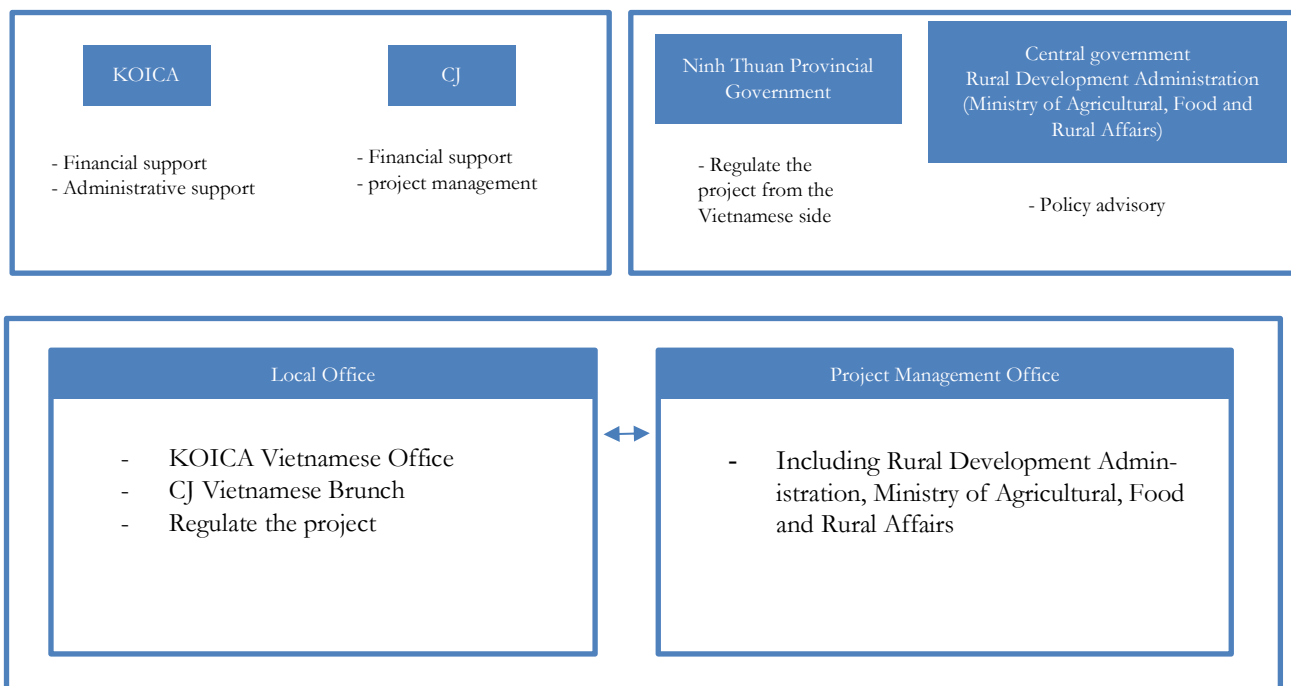
highly relied on suppliers in China for base materials such as chili (CJ, 2014). To reduce their dependency on China in the right of future risk, CJ tried to expand their supply base to Vietnam.

On the other hand, the Global Saemaul project in Vietnam designed to align with the Vietnamese national development strategy (KOICA, 2014). In Tam Ugan 2 towns in Ninh Thuan Province, the lack of infrastructure has resulted in poverty cycle by decreasing the agricultural productivity and having a limited market access for selling agricultural products. Also, ethnic minorities compose of the region, with having less than 200 US dollar of income (KOICA, 2014b). The project targeted 250 households in Ninh Thuan province, which amounted to 1,149 people. In particular, the poverty rate was 42% which was higher than the Vietnamese average poverty rate. The Saemaul project in Vietnam aimed to reduce the rate of poor households to less than 3% and the farmer's income. Ethnic minorities are amounted to 47% of the poor population, especially the region where the project conducted is the ethnic minorities' residential area. This complied with KOICA's aim for contributing to implement SDGs (KOICA, 2014b).

To enhance people's income and agricultural productivity, the Saemaul project in Vietnam aimed to deliver Korean techniques and knowledge in production, storage, and packaging to local farmers for modernising village infrastructure (KOICA, 2014a). During the project, the expertise from CJ and KOICA contributed to disseminate agricultural skills; provide additional support to farmers through the establishment of infrastructure such as water pipe, and development consultation and leadership training (KOICA, 2014a). By integrating Vietnamese farmers into CJ's supply chain, the project afforded technical and financial support to Vietnamese farmers for improving production and sustainability of agricultural framework. Farmers were given Korean chili pepper seeds and infrastructures were improved, with training village farmers (CJ, 2014). The project sought a win-win

situation between Vietnamese villages and the Korean conglomerate, enhancing the local autonomy and supporting cultivation of chili in Vietnam Ninh Thuan province (CJ, 2014). Through the project, CJ secured the sustainable sales channel by selling the products cultivated to Ong Kimchi which is the biggest Vietnamese Kimchi company owned by CJ.

Figure 1 shows how actors are participated in the GSV project. As referred in the figure, to regulate the project, the project management organisation (PMO) was formed at the regional level to train local communities and regional development (KOICA, 2014b). The agricultural specialists from CJ, KOICA's local office and local employees of CJ Vietnam office were additionally dispatched to control the field (CJ, 2018). KOICA, CJ, and the local government composed a steering committee to communicate during the project. By forming the steering committee, the community governance was expanded from community members to the central government in order to enable sustainable local development. Community members and Vietnamese civil servants were directly engaged in the project. Through the steering committee, the Vietnamese central government was given a policy advisory known as 'New Rural Development Plan' from KOICA. CJ intervened in all stages of the value chain from input of raw materials, training in cultivation techniques, storage and processing of products, to sales (CJ, 2014). It was envisaged that the project would facilitate the value chain upgrading thereby improving the quality of agricultural products and increasing income (CJ, 2014; CJ, 2017). KOICA provided budget, and administrative support, and contributed to the establishment of local networks. The project was based on KOICA's foreign aid experience and CJ's rapid growth experience.



<Figure 1:> Structure for Global Saemaul Undong in Vietnam

#### **Chapter 4. Discussion**

In this section, I will identify how KOICA has shaped the narrative of GSV as a new developmental model for rural development in developing countries. In this section, this paper has identified that the Korean government has advocated the PPPs in order to respond to global agenda of privatisation of development as a newly joined DAC member. From the case study of GSV, the country tries to export its ODA model which is based on the country's experience of rural development. However, the case study shows that the contradiction of shaped policy for GSV with the practice in Ninh Thuan province. By using the institutional mechanism of PPP, the state indeed supported the chaebol's interests in the developing market. There are some of challenges aroused in terms of GSV's fragmented reality in the field such as an issue of ownership, top-down way of project implementation, and the lack of participation from the Vietnamese side etc. In this section, I have concluded that PPPs is used a legal rational for the state and chaebol nexus to assist the chaebol's expansion to market in Vietnam. The "path dependencies" and the legacy of

“developmental state” have affected to the close interaction between the public and private actors to this date under the “post-developmental regime”.

#### **4.1. Narrative of “Exceptionalism” and “Uniformity”**

This section presents how South Korea has framed its ODA policy narratives through the case study of Global Saemaul Project in Vietnam. I have explored the KOICA’s internal documents for evaluating the Saemaul Project in Vietnam and the White Paper for ODA (2017) to see how key policy actors have shaped and endorsed its own developmental model. My research reveals the South Korean government promotes the integration of chaebol into ODA through the mechanism of PPP to respond to the global agenda of private financing for development as a recent member of DAC. Also, the Saemaul project in Vietnam contributed to shape the narrative of “exceptionalism” of Korean ODA model (Schwak, 2018) through the application of the successful domestic experience of rural development to the external relations. The following section will begin with analysing KOICA’s 2014 annual report and White Paper for ODA to identify how South Korea has shaped its ODA policies with aligning with DAC norms in the context of “exceptionalism”. As a newly joined OECD-DAC member, South Korea has a duty to respond to the DAC’s global aid norms by harmonising its aid with OECD DAC donors to the South Korea’s development experience in order to enhance its brand of development assistance. The privatisation of development has been supported by the DAC in which the private actors are considered as an alternative to mobilise finance for projects. Therefore, in order to respond to global norm, the South Korean government initiated an “inclusive partnership” with business which is implemented through two ways: corporate social responsibility projects and PPPs (CIDC, 2017). The White Paper declared that the South Korean government advocates the ‘inclusive business’ models by engaging partner countries into the value

chain, aligning the private firm's business strategies with the developmental goals (CIDC. 2017). As CIDC (2017) puts it:

*“The advent of the new global agenda accompanied by the adoption of the SDGs and the AAAA In 2015 ushered in a new era of development cooperation. As a result, the OECD DAC is focusing on the modernisation of ODA and expansion of development financing. Korea is now playing an increasingly important role in the new development discourse led by the OECD.”*

As a newly joined OECD member, Korean ODA needs to comply with OECD accountability requirements by including its private sector. As I have mentioned above, the private sector's engagement in development cooperation has been emphasised in global agenda for development cooperation. To response to the fourth principle of the Paris Declaration (the promotion of mutual accountability and transparency), the institutionalisation of private actor's participation is realised through PPP systems. The inclusion of private actors in official development assistance through institutional framework can be interpreted as an effort to parrel with liberal norm set by OECD-DAC.

In this context, the Global Saemaul Project in Vietnam should be understood to be consistent with the global trend toward the increasingly privatised development formulation and delivery. The partnership with CJ was a part of 'Inclusive business' programme of KOICA which aims to integrate the programme into SDG agenda, specifically SDG 17: Global Partnerships through the establishment of partnership between the development institution and the private business. Also, one of the principles of the Paris Declaration on "Aid Effectiveness" is ownership alignment and its indicator is national development strategies (Watson, 2014). To align with DAC's principle and indicator, KOICA has tried to comply with the "Socio-Economic Development Strategy (2011-2020) in which expanding

the country's infrastructure, training a highly skilled labour, and enabling a socialist market economy were set to achieve the SEDS. Looking at the 2017 Country Partnership Strategy (CPS), the South Korean government implement Saemaul project in Vietnam to respond to the country's need for market economy development and infrastructure and resource development. To align with the country's development strategy, KOICA has supported to nurture technical workforces and high-skilled scientists and engineers, enabling a modern industrialised country (KOICA, 2017). Additionally, to promote balanced growth, KOICA has also implemented rural development projects which targeted to vulnerable areas. Therefore, the country's effort to legalise public-private relationship by aligning with globally accepted agenda of development privatisation.

On the other hand, KOICA-CJ's PPP project can be interpreted as South Korea's effort to globalise Korea's unique experience of development and comply to DAC norms. According to KOICA's (2014a) and the ODA White Paper (2017), we can see how the country tries to challenge the mainstream narrative of development formed by Western donors as referring the South Korean model as an alternative model. Especially, as can be seen from former president Park's speech, the South Korean government views itself as a middle-power who can bridge between developed and developing world (CIDC, 2017). As Park Gun Hee mentions it (Cited in CIDC, 2017):

*“Korea is ready to play a bridging role between developed and developing countries as the post-2015 development goals are being set, by harnessing our unique historical experience. Korea will seek to enhance the quality of its overseas assistance... continues to share development experience, by globally promoting the Saemaul model, which conducted to eradicating rural poverty in Korea through the spirit of diligence, self-reliance and cooperation.”*

Also, in the KOICA's brochure for Saemaul project in Vietnam, the KOICA describes itself as a development partner, resisting the neo-colonial idea and underlying horizontal relationship with Vietnam as its development partner (KOICA, 2018). Here, as we can see, the country positions itself as a non-western donor, underlying the partner countries' ownership in developmental process. This incorporates the narrative of Korea as a non-imperialist donor which supports the horizontal relationship between its partner countries in the context of 'South-South co-operation'.

Additionally, KOICA (2018) emphasises the engagement of local farmers into a wide range of activities, ranging from planning to implementation. Local community was trained with agricultural technologies in order to withstand on their two feet and formed voluntary organisations such as SU committees, farmer's association and women's association. KOICA argue that this uniqueness of the project contributed to enhance the community's self-reliance, minimising people's dependence on external aid. The public actor from KOICA engaging in Saemaul project in Vietnam seem to reify a uniqueness of Korea's ODA (Schwak, 2019). Here, we can see how the SK government and KOICA have shaped the policy narrative for ODA by underlying its unique experience of rural development through the knowledge sharing programme, differentiating its community inclusive model with top-down elite-led development.

The legitimacy of Korean ODA emerges from the knowledge which was accumulated during the economic development. To transfer its knowledge for the economic development, KOICA has attempted to export South Korea's "developmentalism" to developing countries by emphasising its uniqueness of rural development model. Korean policymakers view their ODA as an alternative model to 'theory-oriented' policy prescriptions from traditional donors. This narrative of "exceptionalism" manifests in the Saemaul Agri project in Vietnam. Saemaul as a state-led rural modernisation project of the 1970s has become a



participatory model of rural development. The KOICA-CJ Saemaul project in Vietnam can be seen as promoting Korean developmental experience as an alternative model for rural development in developing countries. The emphasis on modern industrialisation is highly visible in KOICA's 2014 annual report. Based on its experience of rural movement, KOICA and CJ disseminate agricultural techniques to share the country's experience.

Under the name of Saemaul, the country has shaped its development narrative, underlying its instrumental developmental feature (KOICA, 2014). The Global Saemaul project in Vietnam illustrates the country's "developmentalism" as the project was a state-led industrialisation project from the planning stage to implementation stage by engaging the chaebol into the project. The MOFA and Korean Development Institution (KDI) emphasised the importance of government's role to achieve industrialisation through improving the ability of the private sector (MOFA and KDI, 2015/6). KOICA promotes the knowledge sharing of its developmental experience and "developmentalism" with the developing countries. They argue the Saemaul can be a case that partnering countries can follow for their development. Therefore, KOICA's account of Saemaul movement in Vietnam seems to export the country's developmental expertise by sharing agricultural knowledge with Vietnam. The report describes that the Saemaul project in Vietnam includes a part of technical assistance programme disseminating expertise knowledge which is acquired from the country's rural development experience (KOICA, 2014).

Above, I have identified how South Korea as a new emerging donor has promoted its developmental experience, aligning itself with the OECD DAC's norm for privatisation of development cooperation. But the prescriptive content of what that alternative is remains vague. Recently, since its accession to the Development Assistance Committee in 2010, Korea has also institutionalised chaebols' engagement in ODA system through the PPP mechanism. For instance, 'Inclusive partnership' with business was created in order to

comply with the global trend of privatisation of development cooperation. Especially, Korean ODA initiatives introduce Saemaul is an efficient rural community development model to reduce the inequality between the urban-rural area through small technical assistance. On the other hand, looking at the KOICA's report, the South Korea has encouraged the developmental "exceptionalism" by supporting "developmentalist" (Schwak, 2019) policies. In this narrative of "exceptionalism", the country's experience of economic development enables to enhance the legitimacy of Korea as a development partner and norm creator. Therefore, in this section, this paper has found out that the South Korea's ODA model involves the "uniformity" to conform to DAC norm through institutional mechanism: PPP and "exceptionalism" in which the country's own experience is highlighted to remain its ODA model's global competitiveness as a new emerging donor.

### **Chapter 5. "Exceptionalism" or Strategic Extending of the Chaebol's Interest to Overseas**

The section finds the divergence between the narrative and practice of the Korean development cooperation through the case study of Saemaul project in Vietnam. I have studied how the practice of development cooperation is contracted with the narratives of development cooperation that has shaped by KOICA. I explore how the "path-dependency" in "post-developmental regime" has been embedded in South Korea's ODA project in Vietnam. In this context, the public actor KOICA and CJ had an "adaptive partnership" as the legacy of "developmentalist regime" where the public and the private actors are benefited from each other by engaging in the development cooperation project in Vietnam. Throughout the project, the South Korea government played a crucial role to assist the CJ's capital accumulation in Vietnam through the institutional mechanism: public-private partnerships. CJ assisted KOICA to broaden its new development model called "inclusive business" for enhancing its global reputation. Also, under the Park's administration, the

Saemaul project served as a tool for legitimising her political authority. Resultantly, this section has identified that the contradiction of its narrative and its practice can be attributed to the legacy of “developmental regime” in which each actor have interacted for promoting their own benefits.

According to CJ’s sustainability (2014), CJ participated in the project to seek new market opportunities, improving chain productivity through the establishment of core supply chain and better management for supply to enhance the quality and price competitiveness. CJ CheilJedang needed to diversify suppliers to reduce the risk of price change and to improve the quality, by implementing the CSR project to the targeted area which is one of the poorest regions in Vietnam. The CSV department in the headquarter executed the project based upon their own agricultural techniques, R&D, procurement, and CJ Vietnam’s local office promoted a strategic CSR based on the network. While the budget was shared half by KOICA and half by CJ, CJ contributed a lot formally and informally (CJ, 2014). KOICA first suggested the joint programme to CJ, and they accepted the proposal. At CJ headquarters, the CSV team oversaw the business, and a vice president-level executive was the final manager. Particularly, CJ controlled the whole R&D process from the variety selection, post-harvest management, technical support, and training farmers. Thus, CJ aimed to enhance productivity in its value chain in Vietnam, redefining social needs: integration of rural Vietnamese farmers into CJ’s resource supply chain (CJ, 2014).

From CJ’s perspective, the Saemaul project with KOICA can be taken account as a succeed case. As can be seen from CJ’s sustainability report (2017), the major aims of the CSV project were participating rural Vietnamese farmers into CJ’s supply chains to enhance the productivity. Additionally, it purposed on the extension affords for CJ to have a stable production line and greater with intensifying quality and price competitiveness (CJ, 2014). The Global Saemaul project in Vietnam was implemented based on CJ’s business capacity by

transferring agricultural techniques to Vietnamese farmers. CJ participated in the project to seek new growth opportunities, enhance chain productivity by establishing a stable core production base and better control of supply to intensify the quality and price competitiveness. Thus, CJ's motivation to participate in PPP project in Vietnam primarily stemmed from the self-interest of promoting corporate reputation by building a brand image through CSV project. According to CJ's sustainability report (2017), CSV strategy enables more systematic integration of social and environmental values into business operation. According to CJ's sustainability report (2014), it recognises that CSV model can advocate the harmonisation of the economic and social values between the corporation and society. Thus, the CJ group was able to enhance its economic performance, with achieving towards societal needs. The Saemaul project in Vietnam was jointly planned and financed by both the private and public actors, by giving the private actor a more autonomy for seeking their new market opportunities.

KOICA was looking for the partner for public-private partnership project to commit to the economic development in developing countries (KOICA, 2017). KOICA had local networks since they had been working in the region for 20 years, which helped them establish the governance with the local government and the provincial authorities during the Saemaul project in Vietnam (KOICA, 2017; KOICA, 2014a). In the initial stage, there was a lack of understanding from Korean side on the purpose of PPPs in which it was interpreted as a tool for private firm's expansion to overseas markets (KOICA, 2017). KOICA was able to expand its understanding on 'Inclusive Business programme' through the project with CJ, which enabled to verify its development cooperation tools (KOICA, 2017). Whilst supporting chaebol's expansion in developing countries, KOICA conducted Saemaul project in Vietnam "to improve villager's income and to modernise the agricultural

infrastructure through the inflow of productive agricultural techniques ranging from production to packaging to farmers in the village” (KOICA, 2014b).

On the other hands, the Saemaul project in Vietnam is an excellent case of how the legacy of the South Korean “developmental state” (Evans, 2019) are still embedded into the South Korean development cooperation and economic relations with Vietnam to this date (Schwak, 2022). As I have mentioned in chapter 2, the Korean government had a crucial impact on planning and industrial policies by establishing a chaebol-oriented market environment during the “developmental regime” in South Korea. The case of development cooperation with Vietnam shows the state’s leadership and direct engagement in enabling chaebol’s expansion to overseas. Vietnam is the priority partner country in Asia to secure market opportunities for the South Korean economy. The Korean government’s ODA policies have been used as a tool for chaebol to expand its market in Vietnam. The KOICA’s report (2014a) mentions

*“In implementing PPP projects, KOICA focused its efforts on commercialising project outcomes to reinvigorate the private sector, expand choices for customers, and create other positive effects.” “Help the local producers stand on their own feet” “Through its Smart Saemaul Undong, KOICA assists in building a network of communication and cooperation among central, local governments and communities for rural development, and it adopts an integrated rural development approach across diver sectors”*

The report shows how principal interests competing for influence over foreign aid was ensuring markets for CJ in Vietnam. Thus, the project ensures CJ’s access to foreign markets by extending its value chain overseas.

This paper observes how South Korea's narrative for development cooperation is diverged from its practice in the field. The development prescription through this private-public partnership seems to be different from Korea's narrative of "exceptionalism" which emphasises the country's own developmental experience. Instead of seeking the community's self-reliance, the PPP project in Vietnam enhanced the market dependency through the integration into the chaebol's value chain and used the ODA project as an opportunity for CJ to seek its economic interest. Therefore, in the province, the materialistic objective of Korean ODA can be identified in which the state-chaebol nexus was strengthened in developing countries. Since the modern state gains its legitimacy by ensuring the economic development, the distinction between the state and private actors has been unclear (Schwak, 2019). Resultantly, the role of the state has become to support chaebol's operation in the Vietnamese market to secure the country's economic growth. Therefore, we could identify that the Saemaul project in Vietnam is induced by commercial motives- enlarging exports and secure the accessibility to essential raw material imports from the Ninh Thuan province. Thus, the prescription seems to be highly dependent on market-oriented solution through the integration into the agricultural value chain to eradicate poverty in Ninh Thuan province.

One of the key tenets underpinning the Korean as an aid provider ODA model is the country's resistance to neo-colonialism by taking into account them as a development partner rather than a donor. KOICA (2019) centres on as the community-based approach and community-driven features of the project in Vietnam. Nevertheless, given the question in terms of the indeed nature of this partnership regarding resources and power and whose interests were prioritised by this partnership, we can clearly see there are issues of fairness and equality within this partnership. As can be seen from the project diagram, it seems that local actors are engaged in the process of rural development project by being given training

to enhance self-reliance of the village. However, CJ's interest was prioritised in the form of top-down elite-led process (neo-imperialistic), which is difficult to view the project as appropriating for local villagers and communities. Here, a question can be aroused regarding who sets the criteria for implementing and evaluating the project. From the planning to implementation process, the intervention of CJ and KOICA was dominant by selecting the cultivated breed rather than involving local villagers and stakeholders from Vietnamese side. Thus, the Korean side actors were not exactly equal partners vis-à-vis Vietnamese stakeholders. We could see how the PPP project in Vietnam shallowly promotes fairness and equality, incorporating the local villagers on a very surface level under the name of knowledge sharing and uniqueness of Korea's ODA model. Consequently, this is not perfectly fit with grassroots rural development model derived from results based and soft power promotion which is described in KOICA's report. Rather, the Global Saemaul Project in Vietnam can be seen as an one-size-fits-all development model instead of emphasizing on the ownership of the local villagers and Vietnamese side. In the contrast, KOICA and CJ view the Global Saemaul Project in Vietnam as a succeeded case in their evaluation reports without admitting the power-imbalance and lack of participation from the Vietnamese side. Indeed, the project increases the local actor's dependency on multi-national firm's technology with the absence of small-medium businesses from Vietnamese side. This shows the proof of the prevailing explanations for Korean aid were mainly concentrated on the state's commercial and diplomatic interests and on preserving the South Korea's global reputation.

On the other hand, to understand such a divergence between the ODA narrative and the practice, Schwak (2019) demonstrated we need to comprehend the state-chaebol nexus in the field of development cooperation. As I have mentioned in chapter 2, the author delineates the interdependency between the business actor and state actor symbolises "adaptive

partnership” (Schwak, 2019). Despite the dismantling of “developmental state” institutional apparatus, the relationship between the state and the chaebol can be attributed to the developmental alliance between private actors and bureaucrats (Schwak, 2019). As Schwak (2019, 2020) described, the “path dependency” manifests in both domestic and foreign policy making process by prioritising chaebol’s interests. From the CJ and KOICA’s Agri value chain case that I have been looking at, overarching features of “developmental state” are inherent across the aid project in Vietnam. Both actors (KOICA and CJ) were able to benefit from each other by coordinating to respond to the challenges raised by globalisation. This “adaptive partnership” manifests in the case that I have used for this study in which KOICA and CJ worked together to pursue their own benefits in Vietnam.

KOICA played a central role to establish the local network. Thus, KOICA acted as initiator, practitioner, and investor between the Vietnamese government and CJ. Consequently, CJ was able to benefit from the KOICA’s diplomatic capacities and financial contributor as a joint partner which enabled the access to global procurement contracts and build the local network in the implementation of the Saemaul project in Vietnam. Therefore, whilst CJ served not merely for private financing for the development project in Vietnam but also afforded the resources and technical expertise, KOICA provided a better risk environment for CJ by engaging in the local networking so that CJ established its local governance in Vietnam. The Global Saemaul in Vietnam can also be described as a PPP arrangement where KOICA assisted one of the largest chaebols to explore myriad business opportunities in the fast-growing middle-income country. As I have briefly mentioned in the chapter 2, sizeable Korean capital has been invested in Vietnam engendering a significant impact on the country’s industrialisation. This pertains to evidently a corporatisation of ODA policy, considering a parallel increase in Korean ODA flows and increased level of trade volumes to Vietnam.



This practice seems to have diverged from the South Korea's "exceptionalism" narrative of development cooperation, which puts an emphasis on minimising people's dependency on external assistance by training the local community how to stand on their own feet. Also, The KOICA's report (2019) indicates that the development cooperation project complies to the Vietnamese national development strategies to promote mutual benefit. As for its effort to improve self-reliance of local farmers, the report from KOICA (2019) indicates that the private-public partnership project with CJ is a tied aid, which means Vietnamese national firms were not involved in the Saemaul project. Instead of involving local small-medium enterprises, the Global Saemaul project in Vietnam engaged the local farmers in a way that they were provided the chili pepper seed to cultivate it and export through the channel of CJ. Given the fact that Vietnamese national firms were excluded in the process of rural development project, this is problematic to view Saemaul project in Vietnam aimed and committed to the economic development in the Korea's partner country. The project rather ensures that the largest Korean chaebol CJ is contracted to establish the supply chains, taking into account local villagers and communities in Vietnam as nothing more than an instrument for securing CJ's raw material imports. On the other hand, Authors such as Kalinowski et al. (2016), insist of the lack of Korean chaebol's ability to invest in new market abroad without the state's support. Also, considering the duration of Global Saemaul Project in Vietnam, we could question the sustainability aspects of the project. According to KOICA's 2019 ODA final report, the local community has a difficulty to continue the programme by themselves. The report emphasised the importance of consistent post-management to improve the sustainability of programme. However, due to the lack of productivity and the low market competitiveness, CJ decided to stop operating the chain in Ninh Thuan Province. Therefore, given the fact that the supply chain is no longer

operated, it is difficult to view the GSV as a win-win strategy. Thus, we need to question with regard to whose capacity is being enhanced by the project.

On the other hand, additional to the reflection of chaebol's interests, the implementation of Global Saemaul project in Vietnam represents another manifestation of how state's interest was reflected in ODA policy through the partnership with the private actor. One of the central reasons underpinning Saemaul was to intensify the impeached president Park's political legitimacy. Sial and Doucette (2020) describe that the Global Saemaul programme reinforced the advocate of her father's "developmentalist" legacy to extend her own administration by using development cooperation. The former president Park Chung Hee originally established the Saemaul movement to promote the rural development in South Korea in the 1970s. Park Guen-hye, her daughter, sought to improve its political legitimacy through the promotion of GS programme (Doucette and Muller, 2016). This can be interpreted as the administration using the development cooperation to consistent with her father's "developmentalist" legacy and extend its legacy to her administration (Sial and Doucette, 2020). Eventually, this the domestic political scandal affected to the impeachment of Park's regime (Sial and Doucette, 2020). To summarise, the project undertaken in Ninh Thuan Province does indeed view as structural support to constitute diplomatic, and systematic environment for chaebol's expansion overseas and providing legitimacy for previous impeached administration rather than affording developmental support. Therefore, the Saemaul project in Vietnam supports value chain integration to reinforce capitalist expansion. The structural interest of chaebol was reflected in ODA policy making process rather than exporting mutual-benefit rural development strategy.

To summarise, we have been questioning whether the narrative of development cooperation in South Korea which has been shaped by the public actor has matched with its reality through the case study of Saemaul project in Vietnam. Here, we could find the

divergence between the narrative of GVS which is created by KOICA and CJ and its practice in Ninh Thuan province. From the case of Global Saemaul project in Vietnam, the project implies its uniqueness, highlighting its experience of rural development and grass-roots form of development. On the contrast to its created narrative, the reality shows that PPP project in Vietnam is used as a tool to extend CJ's value chain in Ninh Thuan province. This can be attributed as the "path dependency" in "post-developmental regime" which is embedded in the field of development cooperation. The unique institutional structure of governance in Korea can explain why the chaebol has been integrated into the policy making process for foreign aid. The state and chaebol established the institutional mechanism public-private partnership through which they both were able to benefit from each other and aligned with DAC norms. Through the 'adaptive partnership', CJ was able to get support from KOICA to build the local network to establish the supply chain in Vietnam. KOICA could reinforce its comprehension on 'Inclusive Business Programme' through the GSV.

On the other hand, by referring Vietnam as a partner instead of a recipient, KOICA aims to support the mutual benefit between the country and the ownership of the recipient country. Also, KOICA mentions that the GSV project intends to help the local community in Ninh Thuan province to stand with their own feet. However, this contradiction between the narrative and reality can raise the question on whether South Korea exported the partnership as a model for exporting the "developmentalism" or using the partnership as a tool to expand the chaebol's interests in Vietnam. Especially, the issue of ownership was identified since it is difficult to view that Vietnamese side is fully involved into the project. From the planning to the implementation stage, the intervention from the Korean side was dominant rather than engaging the partnering countries' public and private actors. Rather than involving Vietnamese SMEs, the project engaged the local villagers to promote with having

a power imbalance. Resultantly, the GSV can be described as a tool for promoting shallow corporate social responsibility which indeed intended to enhance its chain productivity. As can be seen from the previous section, the KOICA describes the GSV project as a win-win strategy for both the recipient and the donor country. Therefore, I have concluded that the KOICA's effort to promote "inclusive business" programme can be interpreted as a legal rational for the state and chaebol relationship. The country has shaped the development assistance policies in a way that it complies with DAC norms which advocates the private financing of development. By institutionally relocating the state-chaebol's relationship through PPPs, the chaebol was able to participate in the GSV project.

## **Conclusion**

In this paper, I have sought to explain how the private actor has integrated into the field of development cooperation. The Korean government as a new emerging donor has promoted the integration of private businesses in order to response to the global trend of privatisation of development. Korean ODA reflects the country's own interpretation of its economic development. The Korean government has branded its ODA model to export to developing countries. This paper has examined the contradicted divergence between the created narrative for Global Saemaul Project in Vietnam as a new modality of development cooperation in South Korea and its practice in the field. While the Korean government seems to export its developmental model as an alternative to the traditional Western model on the surface, it indeed endorses the chaebol's interests by supporting its expansion to overseas. The Korean government has supported its own development assistance policies by challenging traditional donor's ODA model. By using the slogan of 'collaborative ODA' in 2017 ODA White Paper, the Korean government advocates partnerships with the

private sector wherein inclusive business models are promoted. In this model, CSR/Creating Shared Values (CSV) are used in the field of development cooperation, mobilising finance from the private firms.

In the case of GSV, KOICA promotes South Korean “developmentalism” under the umbrella term of PPPs through the adoption of value chain prescriptions. This reinforcement of public-private partnerships can be interpreted as a country’s effort to align with the global agenda of privatisation of development which is set by OECD/DAC. KOICA’s report (2014) implies that the programme contributed to reduce the poverty rate through integration of local community into the project by targeting the most marginalise group in the province. To do so, the project purposed on improving underdeveloped local conditions: high poverty rate, low agricultural productivity, a lack of social capital and low educational opportunities. Despite the similar characteristics with existing foreign aid programmes, it is meaningful to point out the integration of private actor into the project. However, through the case study of GSV, this paper has found out the contradicting nature between the created narratives of “exceptionalism” and its practice in Vietnam. In the narrative of “exceptionalism”, KOICA emphasise the uniqueness of Korean ODA which reduces people’s dependency on external assistance and improves the self-reliance of local communities through trainings. However, the case study of GSV shows the reliance on the market and the private firms who takes an advantage of ODA programmes for their economic interests. In Ninh Thuan Province, the programme reinforces capitalist expansion by integrating into value chain. Whilst the project on the surface supporting the mutual benefit between the donor and the recipient countries, it indeed reflects the chaebol’s interest in the process of primitive accumulation. On the contrast, the engagement from Vietnamese national firms is absent during the project, which is hard to be interpreted as a ‘mutual benefit’ for both sides. Additionally, the KOICA’s evaluation report indicates the issue

of sustainability of GSV. The narrative of GSV seems to emphasise the importance of the recipient country's ownership by integrating local farmers and the public actors into the project. In contrast, the issue of ownership has aroused during the GSV project. KOICA underlined the spiritual, voluntary, and value-oriented aspects of GSV to improve the engagement of local farmers and communities. CJ and KOICA's interventions were dominant from the planning stage to the implementation stage, excluding the Vietnamese side's participation. The evaluation report from KOICA describes that the project aims to create business opportunities for local villagers in Ninh Thuan province (KOICA, 2014a). However, CJ stopped operating the supply chain in Ninh Thuan province because of the lack of efficiency of production and low market competitiveness. Given the fact that the supply chain is no longer working, I have questioned whose ability has been reinforced through the project.

Therefore, in this paper, I have identified that the contrast of the narrative against the reality can be attributed as the legacy of "developmental state". South Korean "developmentalism" has enabled the "path-dependency" between the public and private actors to this date. The role of state has diminished because of the demolishing of the regime of "developmental state". However, chaebol and the state actors have provided mutual benefit to each other under the "post-developmental regime". From the GSV, KOICA played an essential role to establish the local network, enabling CJ's enlargement of its supply chain to Vietnam. On the other hand, CJ helps KOICA expand its understanding and knowledge for PPPs. This enables to create markets in ODA recipient countries, contributing the commercialisation of Korean brands and mitigating long-term risk. Therefore, the business activities in Ninh Thuan province are questionable as a problem-solution presumption, reinforcing development of marketisation. Also, it is difficult to consider the project to promotion of South-South cooperation as the project sought the private investment to reduce

the poverty in the province which seems to be similar with the activities of traditional donors rather than intending solidarity and reciprocity.

Of course, South Korea is not the only country who utilises ODA as a tool to secure the country's economic and political interests. However, the country's ODA has different features in terms of the type of national interests it endorses and the way it conducts. The old state-business development alliance is inherent in the process of shaping the ODA policies. The case of development cooperation in Vietnam serves to describe the legacy of the "developmental state" in South Korea's relation with Vietnam. The GSV helped to pave the way for a major food multi-national firm who needed to diversify its product chains to expand its supply chain in Vietnam. The project was characterised as state-led and the close relationship between KOICA and CJ. The close co-operation of private actor and the state contributed to South Korea's economic relationship with Vietnam. This state-led development cooperation project refers to the tendency of South Korean "developmental state", which can explain the structured relationship between the state and the private actor. Kalinowski et al. (2016) describes the South Korean business tends not to take a risk to invest in new environments abroad without the state's support. CJ sought corporate's interests and adopted partnerships with KOICA merely to contribute a shallow corporate social responsibility.

According to Schwak (2019), Korean ODA can be characterised by unofficial meeting between the public and private actors. Many decisions in association with foreign aid have been made behind the scenes within government officials and chaebols. From the beginning, Korean ODA policies have affected by the state-chaebol nexus. Some of scholars contends that the Korean ODA is a tool to extend strategic relationships with elites in relevant to "developmental state" (Schwak, 2020; Sial and Doucette, 2020). Also, the Global Saemaul project itself is used to improve the legitimacy for Park's administration who is a

daughter of dictator Park. However, the president Park was impeached because of the domestic political scandal. Also, Schwak (2019) criticises that the understanding of integration into value chain as a remedy for poverty eradication in rural area is one-size-fits-all solution. This is rather aligned with modern development agendas to promote competitiveness framework for development cooperation.

The broader implications for the Korean ODA converge to an understanding and need of philosophical foundation and principles in its foreign aid policies. Korea's position has been aligned with global capitalist governance rather than challenging the existing architecture of development cooperation. In order to reduce the contradiction of its narrative with its practice in the field of development cooperation, the ODA practitioner and policymakers need to rethink the Korean ODA model. As an alternative model and emerging donor and middle power, the revisiting for the South Korea's state of affairs in the field is necessary. As can be seen from the GVS, the case study symbolises the importance of the inclusion of a civil society and participation from the recipient's side rather than state-led approach to comply with the narrative of "exceptionalism" for the country's ODA model. A relatively weak and absence of civil society and active involvement from recipients' side may have resulted in the lack of monitoring to minimise the state-chaebol nexus in the field of development cooperation (Heo and Lee, 2016). According to Hwang (2014), since the field of development cooperation has been biased to the government and businesses executives, the democratic and criticism from the civil society is necessary. However, Schwak (2019) illustrates that most of Korean civil society's intervention are more likely to focus on compliance of guidelines and human rights issues rather than tackling the fundamental premise of private sector's integration into the field of development cooperation. The focus should be shifted to how the inclusion of private sector in ODA have engendered negative effects. Moreover, based on our case study, I have found out that the South Korean



ODA employs the strong state-business cooperation through the tied aid which is clashed with the OECD/DAC's standards to increase the untied aid. Therefore, the ODA should be untied from commercial interests and industrial policies to follow the global rules set by DAC (Kalinowski and Park, 2016). Korea as an emerging donor has to reconcile its "path dependency" and the legacy of "developmental state" with the global standard. Additionally, the quality of governance in recipient countries should be taken into account in the processes of development to improve the sustainability of development cooperation projects.



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