
Abstract

Exploring a New Paradigm of Development Cooperation through the Innovation Sharing Program(ISP)

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1. Background & Problems

More than 2 trillion five hundred billion U.S. dollars in aid has been delivered after World War II, yet Korea is the first and only case in which a donor has transformed into a donor country. This fact serves to disprove the theory that expansion of aid is unsuccessful overall.

Based on its unique experience and own achievements, it is necessary for Korea, as an emerging donor country, to seek a new role by determining which frames of assistance were not successful

and continue in the name of 'Korea-type development cooperation.' By adding its own characteristics and exploring a new paradigm of aid and development cooperation, Korea will be able to present its own representative brand of aid in the future.

2. Present a New Development Cooperation Model

As we seek a new development cooperation model, I am going to present the following three basic principles.

First, I consider the ultimate objective of development cooperation, which consists of searching for ways to catch quality fish in an efficient and consistent manner. Second, from Korea's experience, we should consider what crucial opportunities led Korea to move forward from a stagnant developing country to a dynamic industrial country. Third, rather than one-sided benefits through assistance, we have to address the fact that there is no coexistence model between Korea and recipient countries.

On the basis of these principles that are associated with aid and development cooperation, I present the Innovation Sharing Program(ISP) as a new model of development cooperation.

When viewed from a macroscopic point of view, ISP is set in a concept conducive to issues driving the future, such as long term economic reform or growth rather than short term demand or challenges at hand of recipient countries and cooperation target countries.

Even when viewed microscopically from the viewpoint of enhancing the innovation capacity of the recipient countries, it is

desirable to reorganize ODA projects. In this context, ISP can be differentiated from the existing development cooperation agenda.

Then, does ISP indeed indicate an initiative leading to a paradigm shift?

First, in terms of being able to lead norms and new values of aid by the aid latecomer, such as Korea, it can be said that the ISP initiative is the very paradigm shift itself. ISP is a development cooperation system coupling political-economic motivation and innovation-economic motivation. Second, the ISP initiative is a breakthrough, in terms of the center area of development cooperation to 'innovation'. Third, the ISP initiative, as a new approach of development cooperation, has been presented as the reflection of the problems, resulting from international assistance projects that have fallen short of expectations so far. Fourth, ISP can also be called a new paradigm in that the aid latecomer, Korea, can be intensely and widely recognized as its own brand by lining up ODA and KSP.

3. Policy Recommendations

In order to embody the concept of ISP, I present the policy proposals in the following order.

Proposal 1 : Set of Principles and Criteria of Development Cooperation Agenda Selection

Above all, it is important to provide a new momentum for the

development of the economy and society for the future, by focusing on knowledge-based and innovative projects that match the characteristics of the recipient countries. Second, in these categories, it is considered that the recipient countries propose programs that directly connect innovation and trade. Third, the program that connects the achievement of innovation to trade is not always valid. If the project is connected to innovation, so-called 'welfare oriented aid' that would benefit the day-to-day life or help to resolve social problems is desirable. Fourth, the 'welfare oriented aid' program should be reconsidered thoroughly if the recipient country does not participate directly and indirectly in the innovation.

Proposal 2 : New Lineup of Development Cooperation Projects

The existing ODA projects first look for areas of cooperation in which Korea has strengths and comparative advantages. Based on these, the project establishes the so-called inductive approach method and 'Korea brand ODA' to grasp the reality of Korean version of ODA. Starting from the definition of these concepts, it is desirable to harmoniously connect and line up the method to look for content deductively.

For example, the projects selected as the 'Korean model of ODA' apply to the following: ① Projects that directly correlate to expand the innovation capacity of the recipient country, ② Projects indirectly correlated to expand the innovation capacity of the recipient country, ③ Classification and division into the innovation capacity of the

recipient country and unrelated businesses. Projects corresponding to ③ should be excluded and reconsidered thoroughly. Then, by focusing on the business corresponding to ① and ②, we should pursue selection and intensive strategy.

Proposal 3 : Construction Governance of the Center of ISP

In order to implement the ISP strategy, there is a need to modify governance of development cooperation accordingly. In other words, under the existing international development cooperation committee established under the Prime Minister's Office, it is desirable to form the 'ISP Planning committee (tentative name)' and 'Science and Technology Cooperation Committee (tentative name)', which takes general coordination of ISP practically. The former sets the strategic approach of ISP, while the latter sets ODA model based on science and technology, and share roles respectively to address the overall management of the cooperation program. KOICA also constitutes the 'Science and Technology Cooperation Expert Committee' to support this.

Proposal 4 : Excavation of Demand for Development Cooperation

Public institutions such as government financed institutes in Korea play a critical role in ISP. Through reverse thinking of the group of engineering skills held by these institutions, it is effective to excavate tasks with demand for the cooperation target countries. Of course, bearing the joint R&D with the recipient country in mind, instead

of the technology transfer during the process, matches the original intention of ISP.

On the other hand, the engineering community states that we need a drastic transition in a manner that involves the private sector from the excavation stage of ODA projects. This is especially important to implement the ISP strategy. Through innovation of development assistance to developing countries, the National Academy of Engineering of Korea (2011) proposes to try to solve the current situation that goes through difficulties fundamentally from the excavation stage of the project.

Proposal 5 : Supply of Professionals and Equipment of ISP

We propose three ways to supply the relevant professionals of ISP

The first is to dispatch personnel of government-financed research institutions. The second is to dispatch those with backgrounds in the natural sciences and engineering of the university. If the professors taking a sabbatical year participate in the ISP business, they can be paid a separate allowance. The third is to take advantage of the retired engineers. Their wealth of experiences regarding the 'development age of Korean economy' can be quite useful for the recipient countries.

Supply of devices should be considered. The precedence of the Korea Basic Science Institute could be a good model for a general management organization that relocated and installed unused or low-utilized research equipment to developing countries in 2012. It is

possible to reuse the equipment for experiments and tests of previous generations in Korea.

Proposal 6 : Installation of ‘the Recipient Countries-Korea Innovation Sharing Center’

By focusing on the dynamics of trade and industry of cooperation target countries, the basic premise of the ISP begins from the cultivability of innovation ability. Then, do we also consider the possibility to connect between the trade center and the innovation center at the recipient country?

For example, Korea and the recipient country jointly put human resources, technology, and equipment to install ‘the recipient countries-Korea Innovation Sharing Center(ISC)’ or designed to install the ‘InnoSystem Park(a narrow sense of ‘ISP’)’ to connect the trade center and the innovation center. The Innovation Sharing Center assists the innovation system construction project for potential or long term growth and, it is designed to support research activity. Through industry, academia, and research of the site area, it will contribute to promote the trade & business as well as the technology exchanges with Korea.

4. Expected effects

First, it is possible to anticipate the effect of mutual cooperation with recipient countries through the ISP, putting innovation at the forefront as the integrated center image. The ISP can serve as a

meaningful co-prosperity model and a symbol of cooperation to build up the capacity of sustainable development of the recipient country substantially. Besides, in such a process, a meaningful line-up can be established with the agenda of development cooperation in accordance with the consolidated image of ISP.

Secondly, we can expect a connected effect of innovation and commercial activities. The ‘Innovation Sharing Center’ or ‘InnoSystem Park’ is expected to contribute towards increasing the innovation capacity of the country and the diversity of tradable goods of the cooperation country. By using the ‘Innovation Sharing Center’ or ‘InnoSystem Park’, it can improve productivity through the industry collaboration of Korea and cooperation countries and also help create future markets.

Third, we look for additional effects through system consulting program. The system consulting program that is attempted as part of the KSP from 2013 can be a stepping-stone that connects innovation and commerce. For example, the possibility for expansion of Korean company to related infrastructure projects, such as an integrated transportation center and the modernization of a locomotive traction motor can be much greater if we provide the know-how for the modernization and operation of railroad infrastructure.

Fourth, it can also be expected that ISP plays a role in the globalization of Korean SMEs. The SMEs taking part in ISP have a chance to strengthen their global competitiveness by taking advantage of the overseas R&D activities.