The ‘Reactive State’ as Foreign Aid Giver: A Historical Analysis of the Aid Policy Regime (1953-1999) in South Korea

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Why are donor governments eager to increase foreign aid and how do they justify aid increases? This essay presents a historical insight into the bilateral donors’ rhetoric behind aid expansion. South Korea provides one critical case. Not standing its impressive aid growth over the last decade, the country has constantly failed to meet its annual commitment by a significant margin. This article argues that such policy behaviour might stem from its legacy as a ‘reactive state.’ During the Cold War, the country’s nascent aid policy regime produced expansionary but non-strategic rhetoric, due to its fragmented structure and lack of indigenous policy rationales. Such traits of the policy regime linger today, thereby continuously favouring overestimated aid targets and outward-looking aid initiatives.

Keywords: Reactive State, Foreign Aid, South Korea, Aid Rhetoric, Aid Expansion, Developmental State

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I. INTRODUCTION

Why are donor governments eager to increase foreign aid and how do they justify aid increases? This essay presents a historical insight into the bilateral donors’ rhetoric behind aid expansion. As a country case, South Korea—which received foreign aid up to the late 1990s but has recently emerged as a donor with an impressive record—provides us with an interesting area of study for this central puzzle.

South Korea’s transformation into a proactive aid giver invites interest among international scholars and aid practitioners. As one of the explanations for such a phenomenon, the notion of ‘state entrepreneurship’ comes to the fore: that is, South Korea might have not been so quickly expanding the scale and scope of global development cooperation without the distinctive role played by the government. This ‘state-directed aid growth’ argument is a reflection of the East Asian ‘developmental state’ narrative, which captures the penetrating role of authoritarian governments in the region in effectively inducing industrialisation during the Cold War. It is widely believed that the tradition of having a strategic, competent state explains today’s fast-growing South Korean official development assistance (ODA) (Söderberg 2010; Kim and Potter 2012; Kalinowski and Cho 2012; Sato and Simomura 2013).

Set against such mainstream perception, this study accommodates another historical point of view, arguing that the contemporary expansionary aid policies of the country might arise from its legacy as a ‘reactive state.’ The thesis of the reactive state serves as an analytical tool to reinterpret South Korea’s expansionary aid policy as a by-product of domestic constraints and external influences.

Previously, the thesis of the reactive state (RS) was introduced to explain the foreign policy behaviour of non-hegemonic powers, which displayed a tendency to lack indigenous rationales for their foreign policy decisions. The thesis takes the approach of understanding the external behaviour of nation-states through looking at the internal structures and dynamics of their domestic policy regimes.

In other words, the RS thesis examines the endogenous sources of a state’s particular foreign policy behaviour where reaction prevails over strategy. Distinguished from other types of states (i.e. proactive-hegemonic, middle-ranged, inflexible, and autistic states), reactive states are defined as having neither a strategic intent of policymaking nor a record of implementing such policies successfully, due to structural constraints.

Existing cases of reactive states—Japan, Norway, and Austria in the Cold War period—run parallel with contemporary South Korea, whose foreign aid policy choices are in favour of budgetary expansion in aid giving, but whose policy initiatives tend to be outward-looking and lacking in strategies and domestic support. Likewise, South Korea constitutes a critical case, given its historical