

Sharing Knowledge for Development

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Background

The launching of the G20 summit, and Korea's chairmanship in 2010 in particular, provides a great opportunity to approach development issues from new directions. The G20 consists of advanced industrial countries and leading developing countries. Advanced industrial countries may regard their own development as an achievement of the past and tend to take an aid-centric approach to international development; whereas, leading developing countries see development as a policy challenge of the present for themselves as well as for others and seek practical solutions to their problems. Leading developing countries are increasingly playing an important role in official development assistance (ODA) as well. Interaction between the two groups within the G20 is bound to lead to intellectually stimulating and influential discussions on what *really* works for development.

The G20 can serve as a premier marketplace for development paradigms. The Washington Consensus, predicated on privatization, liberalization, and stabilization, will have its champions and detractors. The human development paradigm, as encapsulated in the Millennium Development Goals, will have its own supporters and critics, who tend to place more weight on the importance of infrastructure and trade for development. The very diversity of the G20 shows that multiple paths to development are possible.

Korea's Development Experience and Knowledge Sharing

Korea's dynamic development experience over the past half-century has been a source of fascination for development specialists and a source of inspiration for other developing countries eager to extract lessons that could be applied, if not exactly replicated. Even among those countries who have recorded an exceptionally high rate of economic growth over the past few decades, Korea stands out with its impressive industrial upgrading and resilience to crises. Both the neoclassical school and the statist school have cited Korea's development experience in support of their theories, and it is only fitting that Korea is engaged in the sharing of development knowledge through a high-level official and expert network to promote development around the world.

For a latecomer with underdeveloped institutions and markets, a "big push" that overcomes coordination failures is critical to its development. In practice, however, big pushes tend to fail because governments of developing countries do not have the requisite competence and integrity even as they undertake ambitious development plans. Korea's big push, starting in the early 1960s, was atypical in three respects: First, Korea adopted a two-tier approach to big push coordination. The government formulated multi-year economic development plans but delegated much of their implementation to business groups, which internalized

market transactions to reduce coordination failures. The Korean approach essentially combined national-level coordination (planning and monitoring) with group-level coordination (entrepreneurship). To facilitate coordination, the government and business groups developed a partnership in which the government shared the investment risks of the private sector and provided performance-based support. Close consultation between the government and the private sector to discover and shape Korea's comparative advantage was essential to Korea's sustained growth. Second, Korea promoted international trade as an essential component of its big push program. Not only did trade enable Korea to reduce the coordination problem and take advantage of scale economies, but it also had a disciplining effect as global competition provided "a market test" for government policy and corporate strategy. Three, Korea managed to contain corruption and rent-seeking. A student revolution in 1960 that overthrew the previous corrupt government and a military coup in 1961 that placed economic modernization at the top of its agenda had changed Korea's political economy. The subsequent adoption of measures and incentives to control corruption and rent-seeking was critical to the success of Korea's big push program. These distinguishing features helped to make Korea's big push much more successful than most programs implemented by other developing countries.

Sharing Korea's development knowledge and tailoring policy advice to the needs of developing countries may be the greatest gift that Korea can offer the world. Since launching its Knowledge Sharing Program (KSP) in 2004, Korea has provided policy consultations to 24 countries on topics ranging from development planning to crisis management. Former high-ranking government officials, Minister-level or above, are directly involved in these policy consultations to share their intimate knowledge of development challenges. They describe in detail the decision-making process, peppered with interesting anecdotes, empathize with government officials in developing countries, and complement the analytical work of policy experts and specialists who have extensive experience of their own in their fields. These government officials and practitioners effectively pair up with their counterparts in development partner countries to work jointly on pressing policy challenges and share development knowledge in the process. Instead of offering "one-size-fits-all" or template approach, this knowledge-sharing exercise is much more effective in discovering what really works for development. Although a number of advanced industrial countries as well as multilateral development banks offer policy advice to developing countries, the effectiveness of such knowledge-intensive service may be greatly improved by taking a similar knowledge-sharing approach.

Conclusion

The G20 provides a natural forum to facilitate knowledge sharing to promote development around the world. The G20 should establish an interactive information platform where developing countries can access various development approaches and cases adopted by the members of the G20. A network of officials and experts with an intimate knowledge of development challenges should be established, and they should work with development partner countries to discover jointly what works in the local context.