

## A Comparative Analysis of South Korean vs. Indian ODA Strategy in Africa: The Case of South Korean Engagement in Ghana and Rwanda

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*Despite South Korean aid to Africa increasing, studies on Asian middle powers' influence on the continent has primarily focused on China and Japan. South Korea's ODA to various African states has increased substantially since the late 2000s; however, it continues to receive little public or academic attention. This study explores the motivations behind South Korea's increasing engagement in Africa with a focus on Ghana and Rwanda as case studies. Furthermore, the research provides a comparative analysis of South Korea's engagement with Africa to that of India, another rising Asian middle power and a significant donor in Africa. This study uses secondary data sources to critically analyze and evaluate academic literature, reports, books and online newspaper publications to provide insights into the nature of South Korea's development assistance programs in Africa. The study suggests that South Korea's ODA allocation to Ghana, Rwanda and other African countries is influenced by the needs of the recipient countries as well as South Korea's need to secure national security interests and attain greater global status. While South Korea and India's development assistance programs in Africa are dominated by commercial and natural resource diplomacy, both countries are competing against one another and other Asian powers, like Japan and China, for access to Africa's raw materials and to secure new markets for companies at home.*

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**Keywords:** Africa, South Korea, India, Ghana, Rwanda, Official Development Assistance, international trade, investment

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## Introduction

South Korea's overseas development assistance to Africa has increased substantially within the past decade.<sup>2</sup> South Korea's aid allocation to Africa increased substantially from 5.1 million USD in 2000 to an astounding 95.7 million USD in 2013.<sup>3</sup> According to the Korea International Cooperation Agency (KOICA) in 2016, the Asian–Pacific, including Oceania, received about 39% of aid from South Korea, followed by Africa with 20.9% and Central and South America with 10.7%, respectively.<sup>4</sup> Africa is now the second highest recipient of South Korea's Official Development Assistance (ODA).<sup>5</sup> South Korea has made tremendous efforts to prioritize Africa as a strategic partner. Furthermore, in October 2016, South Korea pledged to support Africa with 5 billion USD in aid over the next five years.<sup>6</sup>

This study is concerned with the motivations behind South Korea's increasing engagement in Africa, focusing specifically on Ghana and Rwanda as prioritized partner-countries. Ghana and Rwanda have been major recipients of South Korean aid since 2006.<sup>7</sup> Therefore, the two countries make a compelling case study for understanding the strategy behind South Korea's aid, trade, and investment framework. Both Ghana and Rwanda have openly demonstrated their interest in learning from the South Korean development model and have achieved moderate economic success since 2000. The two African countries hope to capitalize on this momentum by forming a closer partnership with countries, like South Korea, who possess successful development experiences. South Korea is one of the few countries in the world which has successfully transitioned from a major aid recipient to a sizable

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<sup>2</sup> Daragh Neville and Vincent Darracq, "South Korea's Engagement in Sub-Saharan Africa: Fortune, Fuel, and Frontier Markets," *Chatham House: The Royal Institute of International Affairs*, October 20, 2014, accessed November 1, 2018, <https://www.chathamhouse.org/publication/south-korea%E2%80%99s-engagement-sub-saharan-africa-fortune-fuel-and-frontier-markets>.

<sup>3</sup> HyunJae Kim, Mi Shon, YoungHwan Kim, and MinKyoung Park, "Analysis of Research Trends in South Korea ODA for Ethiopia (2000-2015)," *Asia Pacific Collaborative Education Journal* 11, no. 2 (2015): 42.

<sup>4</sup> "KOICA Annual Report 2016," KOICA, accessed December 2, 2018, [http://www.koica.go.kr/upload/pr/annual/2016\\_Annual\\_Report.pdf](http://www.koica.go.kr/upload/pr/annual/2016_Annual_Report.pdf).

<sup>5</sup> Official Development Assistance (ODA) refers to the flow of financial resources from central or local governments, and other official international institutions like the United Nations and World Bank to developing countries for socio-economic development (OECD, 2017).

<sup>6</sup> "2016 KOAFEC Ministerial Conference," African Development Bank Group, accessed October 31, 2018,

[https://www.afdb.org/fileadmin/uploads/afdb/Documents/Events/KOAFEC\\_2016/Joint\\_Declaration-2016\\_KOAFEC\\_Ministerial\\_Conference.pdf](https://www.afdb.org/fileadmin/uploads/afdb/Documents/Events/KOAFEC_2016/Joint_Declaration-2016_KOAFEC_Ministerial_Conference.pdf).

<sup>7</sup> "KOICA Annual Report 2016," KOICA.

donor country.<sup>8</sup> Having become a member of Organization for Economic Co-Operation and Development- Development Assistance Committee (OECD-DAC) in 2010, it currently holds the position as the fourth largest economy in Asia.<sup>9</sup>

While there has been a plethora of literature on traditional western donor countries and recipients, little attention has been dedicated to Asian donor countries in Africa; perhaps, with the exception of China. Additionally, studies on South Korea–Africa relations has been remarkably lacking, especially with regard to South Korea’s ODA to Africa.<sup>10</sup> In this paper, South Korea’s ODA, trade, and investment architecture towards Ghana and Rwanda will be discussed in detail. South Korea is an emerging middle power seeking to play a more relevant role in the international community.<sup>11</sup> However, other emerging donors and middle powers, including India, China, Brazil, Turkey, and Indonesia, are displaying interest in Africa. Although non-OECD DAC members, countries like China, Brazil and India have become important sources of finance, technology, and infrastructure through their growing engagement with Africa.<sup>12</sup> In addition to the case study of South Korea’s strategic engagement with Ghana and Rwanda, this research compares South Korea’s engagement with Africa to that of India – the purpose of which is to provide a comparative analysis of two major Asian powers seeking trade and investment opportunities in Africa, whilst also contributing to global governance and poverty reduction.

This study is based on secondary data sources and seeks to evaluate academic literature, reports, books and online newspaper publications to provide insight into the role of South Korea in Africa. The study also seeks to understand the trends and motivations of South Korea’s development aid to Africa in relation to Ghana and Rwanda as two important strategic partners in its foreign diplomatic strategy

<sup>8</sup> Rob Folley, “Korea’s ODA to Africa: Strategic or Humanitarian?” The U.S.-Korea Institute at SAIS, 2010, accessed October 28, 2018, <https://www.noexperiencenecessarybook.com/GE5bd/2010-sais-us-Korea-yearbook-us-Korea-Institute-at-sais.html>.

<sup>9</sup> Sung-Mi Kim, “The domestic politics of international development in South Korea: stakeholders and competing policy discourses,” *The Pacific Rim* 29, no. 1 (2016): 71.

<sup>10</sup> Hansol Park, “The Motivations of South Korea’s ODA to Africa,” *Master’s thesis*, Central European University, 2016, 3.

<sup>11</sup> Middle powers show characteristics of following and obeying established global institutions, they are less powerful compared to great powers, they participate in global conflict resolution and promote world peace (Morin-Gelinas, 2016):152.

<sup>12</sup> Cheru Fantu and Modi Rennu, “Introduction: peasants, the state and foreign direct investment in African agriculture,” in *Agricultural development and food security in Africa: The impact of Chinese, Indian, and Brazilian Investments*, edited by Fantu Cheru and Renu Modi, London: Zed Books, 2013, 10.

towards Africa. In order to achieve this end, the following research has been organized into seven segments: an overview of global ODA motivations, a brief comparative analysis of South Korea and India's engagement in Africa, the history of South Korea's engagement in Africa, the history on India's engagement in Africa, a case study analysis of South Korea in Ghana, a case study analysis of South Korea in Rwanda, followed by research findings and suggestions for areas of future research.

### **Motivations for ODA Allocation**

Several studies in international development aid have suggested that foreign aid is not allocated according to the needs of the recipient countries.<sup>13</sup> It is often the case that donor countries' interests often surpass the actual need of the recipient countries. In other words, how a recipient country is selected and total budgetary allocated is influenced by economic, historical, and geopolitical considerations.<sup>14</sup> Major aid donor countries like the United States, the United Kingdom, and Japan offer foreign aid tied to their respective countries' global geostrategic interests, which are often economic and/or politically motivated.<sup>15</sup> For the United States, foreign assistance is dictated by its national and global interests. Similarly, the United Kingdom and Japan also distribute development aid that aligns with their domestic and international interests, including preferences for engaging with their former colonies.

In his research, Hansol Park argues that development aid benefits the donor country more than the recipient country.<sup>16</sup> Other researchers concur with this view, explaining that the reason why many countries in Africa, including Ghana, have failed to achieve considerable socio-economic growth and development during the past four to five decades after receiving substantial amount of foreign aid, can be attributed to the limited knowledge of donor countries in relation to recipient countries' internal political dynamics, economic, and socio-cultural perspectives.<sup>17</sup> The findings from Andrews' study suggest that donor countries have

<sup>13</sup> See: Neville and Darracq, "South Korea's Engagement in Sub-Saharan Africa" and Rob Folley, "Korea's ODA to Africa: Strategic or Humanitarian?"

<sup>14</sup> Yuko Watanabe, "What Determines Bilateral Aid Distribution? Evidence from Major Donors," *Honor's theses*, University of Oregon, 2006, 4.

<sup>15</sup> *Ibid*, 5-6.

<sup>16</sup> Park, "The Motivations of South Korea's ODA to Africa," 20.

<sup>17</sup> Nathan Andrews, "Foreign Official Development Assistance (ODA) and Ghana's Development: The Case of "Bringing Culture Back In" to the Analysis," *International Journal of Sociology and Anthropology* 2, no. 5, (2010): 102.

often not made efforts to understand the internal development dynamics of recipient countries, focusing solely on delivering assistance from their own perspectives by defining what recipient countries need most.

Over the last four to five decades donor countries have developed a pattern of allocating financial resources towards few resource-rich African countries, a selection bias that overlooks the poorest countries without major resource reserves.<sup>18</sup> For example, Angola is the second largest producer of oil after Nigeria and a major producer of diamonds.<sup>19</sup> Unsurprisingly, Angola has become China's biggest trading partner in Africa and exports a significant amount of oil to its trading partner.<sup>20</sup> Another example is Ghana, which is a major gold producer in Africa. In 2012, the Chinese and Ghanaian government officials agreed on a loan of 2 billion USD to finance infrastructure development projects in Ghana. The Ghanaian government used its oil as a collateral for the loan.<sup>21</sup> Then in 2017, China offered another separate concessionary loan worth 19 billion USD to Ghana for various development projects including the government 'one district one factory' initiative and construction of hydro power plants, where Ghana used its bauxite reserves as collateral.<sup>22</sup>

ODA, trade, and foreign investments, including concessionary loans, has become an integral part of development cooperation where donor countries use not only ODA, but also foreign investments and bilateral trade as a tool to facilitate development in recipient countries.<sup>23</sup> From the examples given above, it can be concluded that recipient

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<sup>18</sup> Neville and Darracq, "South Korea's Engagement in Sub-Saharan Africa."

<sup>19</sup> Heike Baumuller, Elizabeth Donnelly, Alex Vines, and Markus Weimer, "The Effects of Oil Companies' Activities on the Environment, Health and Development in Sub-Saharan Africa," European Parliament's Committee on Development, August 2011, accessed November 10, 2018, [http://www.europarl.europa.eu/RegData/etudes/etudes/join/2011/433768/EXPO-DEVE\\_ET\(2011\)433768\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/etudes/join/2011/433768/EXPO-DEVE_ET(2011)433768_EN.pdf).

<sup>20</sup> See: China Daily, "Angola becomes China's largest trading partner in Africa," *China Daily*, September 27, 2009, accessed October 31, 2018, [http://www.chinadaily.com.cn/bizchina/2009-09/27/content\\_8742652.htm](http://www.chinadaily.com.cn/bizchina/2009-09/27/content_8742652.htm) and Reuters, "Russia remains China's top oil supplier as pipeline expands," *Reuters*, February 24, 2018, accessed February 24, 2019, <https://www.reuters.com/article/us-china-economy-trade-crude/russia-remains-chinas-top-oil-supplier-as-pipeline-expands-idUSKCN1G808M>.

<sup>21</sup> Afua Hirsh, "Ghana arrests 168 Chinese in illegal Chinese mining crackdown," *The Guardian*, June 6, 2013, accessed February 28, 2019, <https://www.theguardian.com/world/2013/jun/06/ghana-arrests-chinese-illegal-miners>.

<sup>22</sup> Ansah Mariah, "China loan will be used to leverage bauxite industry," GhanaWeb, June 28, 2017, accessed February 1, 2019, <http://citifmonline.com/2017/06/28/china-loan-will-be-used-to-leverage-bauxite-industry-govt/>.

<sup>23</sup> Cheru Fantu, "Emerging Southern powers and new forms of South-South cooperation: Ethiopia's strategic engagement with China and India," *Third World Quarterly* 37, no. 4 (2016): 595.

countries' need for financial assistance is matched, if not surpassed, by the need of the donor countries to secure their national interests (such as access to raw materials).

### **South Korea and India in Africa**

South Korea and India have adopted similar public diplomacy strategies by developing their soft power in order to facilitate their overseas development assistance programs.<sup>24</sup> Unlike the long-standing principles of Western aid donors which are dominated by human rights and good, democratic governance, countries like South Korea and India pursue overseas development assistance strategies similar to China, Japan and Brazil: assistance that is underpinned by a strong emphasis on their own economic interests and commercial partnerships that are based on the principle of non-interference.<sup>25</sup> In essence, recipient countries do not need to make the effort to reform their institutions or governance to align with Western or American standards.<sup>26</sup> With economic interests in mind, both India and South Korea, as regional powers and strategic players in Asia, have intensified their efforts to secure access to natural resources and new markets in Africa.<sup>27</sup> One major difference between the two, however, is that compared to South Korea, India has a historically long and well established relationship with many countries in Africa.<sup>28</sup> The following sections will explore in detail South Korea and India's engagement in Africa, the system of ODA adopted by South Korea as well as a summary of major differences and similarities between their engagements in Africa.

### **South Korea in Africa**

South Korea and Africa have a relatively short history of engagement at all levels. Besides Ethiopia's participation in the Korean War, very little

<sup>24</sup> Public diplomacy seeks to advance a country's national interest through interaction with foreign governments, non-governmental individuals & organizations (Leonard et al., 2002). According to Nye (2008), soft power is the ability to affect others to obtain the outcomes one wants through attraction rather than coercion or payments.

<sup>25</sup> James Reilly, "A Northeast Asian model of ODA? Comparing Chinese, Japanese and Korean official development assistance," *The Asia-Pacific Regionalism and the Global System*, 2012, 227.

<sup>26</sup> Park, "The Motivations of South Korea's ODA to Africa," 14.

<sup>27</sup> The Economist, "Asia's scramble for Africa – New rivalries on a contested continent," August 13, 2016, accessed January 31, 2019, <https://www.economist.com/middle-east-and-africa/2016/08/13/asias-scramble-for-africa>.

<sup>28</sup> Adjoa Anyimadu and Daragh Neville, "Regional Competition Could Obstruct South Korea's Charm Offensive in East Africa," *Chatham House: The Royal Institute of International Affairs*, May 16, 2016, accessed January 19, 2019, <https://www.chathamhouse.org/expert/comment/regional-competition-could-obstruct-south-korea-s-charm-offensive-east-africa>.

contact existed between South Korea and the African continent until the early 2000s.<sup>29</sup> South Korea's earlier engagement with Africa was primarily characterized by seeking African votes to counter the North Korean regime in global institutions like the United Nations.<sup>30</sup> In fact, during the early periods of engagement in the 1960s, South Korea adopted the 'Hallstein Doctrine,' which resulted in the disassociation of African countries that established diplomatic ties with North Korea.<sup>31</sup> This policy was later phased out by former president Park Chung-Hee in 1972.<sup>32</sup> Other factors such as geographical distance, insufficient availability of information and a mutual lack of interest accounted for the limited economic and political contacts between South Korea and Africa.<sup>33</sup> It should also be noted that until the 1980s, South Korea was a struggling developing country like most African countries.<sup>34</sup>

By the end of the Korean War, the annual per capita income of South Korea stood at 67 USD.<sup>35</sup> During this period, South Korea was classified among some of the world's poorest nations and was placed in the same group as Ethiopia, Uganda, and Togo. South Korea's rapid economic development has been hailed by many African countries as a suitable model from which they can learn valuable lessons to solve their own development problems.<sup>36</sup> Table 1 provides a historical overview of major events and interactions between South Korea and Africa.

**Table 1.** Summary of Major Events in Korea-Africa Relations (Source: Neville and Darracq, 2014)

1982	Chun Doo-Hwan became the first Korean Head of State to visit Africa - Gabon, Kenya, Nigeria, and Senegal.
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<sup>29</sup> Ibid.

<sup>30</sup> Anylmadu and Neville, "Regional Competition Could Obstruct South Korea's Charm Offensive in East Africa."

<sup>31</sup> Park, "The Motivations of South Korea's ODA to Africa," 31.

<sup>32</sup> Ibid.

<sup>33</sup> Daniel Owusu Agyapong, "An assessment of Ghana-South Korea relations under the NPP administration," *Master's thesis*, 2012, 1.

<sup>34</sup> Ibid, 1.

<sup>35</sup> Kim, Shon, Kim and Park, "Analysis of Research Trends in South Korea ODA for Ethiopia (2000-2015)," 37.

<sup>36</sup> Johan Lagerkvist and Garbiel Jonsson, "Foreign aid, trade and development: The strategic presence of China, Japan and Korea in sub-Saharan Africa," *UI Occasional Papers*, no. 5 (2011), accessed October 29, 2018, <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.463.2143&rep=rep1&type=pdf>.

3/2006	President Roh Moo-Hyun's visited Egypt, Algeria, and Nigeria; later in the same year, the first Korea-Africa Summit was held in Seoul. These events marked the commencement of a new era in the South Korea and African Strategy, and the Korea Initiative for Africa Development (KIAD) was established.
2006	Korea Africa Forum, Korea-Africa Economic Cooperation Conference (KOAFEC) and Korea Africa Industry cooperation (KOAFIC) took place for the first time.
2009	The Second Korea-Africa Forum
9/2010	At the Korea-Africa Forum (KOAFEC), South Korea pledged to support Africa with 1.09 billion USD in ODA.
7/2011	President Lee Myung Bak visits the Democratic Republic of Congo, Ethiopia, and South Africa.
10/2012	Korea-Africa Cooperation Week where all three forums were held simultaneously for the first time.
5/2016	President Park Geun-Hye visited Ethiopia, Kenya, and Uganda to launch South Korean Aid.
10/2016	South Korea–Africa Forum, a high-level bilateral meeting where the South Korean government promised to support Africa with 5 billion USD in ODA over the next five years.
5/2018	African Development Bank/KOAFEC meeting was held in Busan, Korea to re-emphasize its support to Africa with 5 billion USD in key sectors: knowledge development, capacity building, energy & human resources.



Chun-Doo Hwan became the first South Korean president to visit Africa in 1982. After Chun-Doo Hwan, twenty-four years passed before the next visit by Moon-Hyun Ryo in 2006. However, since 2006, South Korea's engagement with Africa has been consistent. The revival of the engagement between South Korea and Africa was marked by the launch of the Korea Africa Development Initiative (KIAD) in 2006.<sup>37</sup> The tenets of this new engagement were for South Korea to triple its ODA to Africa by 2008 while actively contributing to poverty reduction and socio-economic development in Africa within the international framework for reducing poverty and eradicating pandemics. South Korea's ODA to Africa increased from 33 million USD in 2005 to 181 million USD in 2011. By 2012, South Korea had provided a total of 513 million USD in ODA to Africa.<sup>38</sup> Seoul now considers the African continent as a strategic location for its long-term national economic development goals.

In addition to ODA, South Korea has taken tremendous steps towards increasing development cooperation with Africa. In 2015, the Korea-Africa Center, the first government institution created to deal exclusively with African affairs, was established to deepen cooperation between South Korea and Africa.<sup>39</sup> Also significant is the new form of ODA introduced in 2016 by the South Korean government, called Korea Aid for Africa. Korea Aid aims to reduce the knowledge gap between Africa and South Korea through the promotion of Korean culture and vice versa. The program provides three areas of exchange: Korean-Medic, Korean-Culture and Korean-Food. It is a form of mobile aid where vehicles transport Korean health professionals and the assisting local staff to rural villages in Africa to offer free medical care. Central to Korean Aid is the showcase and promotion of South Korea's popular culture: K-drama, K-pop and Korean delicacies.<sup>40</sup> In addition to the popular culture initiative is the reintroduction of Saemaul Undong into the development aid framework of South Korea. Saemaul Undong is a self-help program introduced in the early 1970s by former president Park Chung-Hee, which successfully transformed and created wealth in rural

<sup>37</sup> Park, "The Motivations of South Korea's ODA to Africa," 30.

<sup>38</sup> Myo-ja Ser and Sarah Kim, "Korea bets big on African development projects," *Korea Joongang Daily*, May 26, 2016, accessed November 29, 2018, <http://mengnews.joins.com/view.aspx?aId=3019187>.

<sup>39</sup> "Handbook on Korea-Africa," Korea-Africa Center, 2015, accessed October 31, 2018, [www.africacenter.kr/](http://www.africacenter.kr/).

<sup>40</sup> Ser and Kim, "Korea bets big on African development projects."

communities in South Korea.<sup>41</sup> Former president Park Geun-Hye's administration also made great efforts to make the Saemaul Undong program one of the key focus of the development aid framework for Africa.<sup>42</sup>

### **The System of ODA in South Africa**

In January 2010, South Korea joined the Organization for Economic Cooperation and Development (OECD), Development Assistance Council (DAC).<sup>43</sup> South Korea's current ODA system is designed into concessionary loans and grants. The loans are disbursed through the Economic Development Cooperation Fund (EDCF) overseen by Korea Import-Export Bank (Exim Bank). Grants are managed by Korea International Cooperation Agency (KOICA) under the supervision of Ministry of Foreign Affairs and Trade.<sup>44</sup> The Millennium Development Goals and the Sustainable Development Goals enacted in 2000 and 2015, respectively, have been used as a guide by South Korea to identify priority sectors with reference to its overseas development assistance—focusing on education, health, good governance, public administration and rural development.

During the past two decades, South Korea has progressively focused more of its efforts on ODA related to commercial and natural resources – the involvement of Daewoo and other South Korean firms seeking to acquire large tracts of lands in Madagascar, Tanzania and Sudan are strong indicators of this pattern.<sup>45</sup> In South Korea, ODA and foreign direct investment is seen as an extension of the country's international development strategy. In such a strategy, the national government uses development cooperation to secure access to vital resources, while also positioning itself in an influential role within a foreign country, to foster a business-friendly environment that captures new market opportunities for Korea's Chaebol (powerful global business conglomerates). South Korean firms often need the support of its

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<sup>41</sup> Jamie Doucette and Andres Riel Muller, "Exporting the Saemaul spirit: South Korea's Knowledge Sharing Program and the 'rendering technical' of Korean development," *Geoforum* 75 (2016): 30.

<sup>42</sup> Moctar Aboubacar, "Emerging Donors and Knowledge Sharing for Development: The Case of Korea," *Yonsei Journal of International Studies* (2013): 231, accessed November 2, 2018, <http://theyonseijournal.com/emerging-donors-and-knowledge-sharing-for-development-the-case-of-korea/>.

<sup>43</sup> Park, "The Motivations of South Korea's ODA to Africa," 4.

<sup>44</sup> Folley, "Korea's ODA to Africa: Strategic or Humanitarian?"

<sup>45</sup> *Ibid.*

government in order to invest and thrive in high-risk projects, such as those in Sub-Saharan African countries.<sup>46</sup>

In the last quarter of 2018, the state-owned firm, Korea Gas Corporation (KOGAS), received funding of 1.8 billion USD from the Import-Export Bank of Korea and the Korea Trade Insurance Corporation to commence the construction of a floating platform to process natural gas in Mozambique.<sup>47</sup> The floating liquefied natural gas platform is being constructed in collaboration with major Korean ship-building firms like Samsung Heavy Industries, Hyundai and Daewoo.<sup>48</sup> The share of KOGAS investment in gas exploration in Mozambique is estimated to be 10%, which is equivalent to South Korea's nationwide demand for gas for more than five years.<sup>49</sup> According to Korea JoongAng Daily's recent report on KOGAS banks in overseas projects: "The Korea Gas Corporation (KOGAS) not only works to expand the domestic natural gas supply but also to secure energy resources and future growth opportunities around the world."<sup>50</sup> South Korea's ODA to Mozambique increased significantly from less than 1 million USD in 2010 to 6.48 million USD in 2011.<sup>51</sup> Furthermore, within just two years, ODA from South Korea to Mozambique increased substantially to 57.08 million USD in 2013; and by 2015, it leveled out to 42.29 million USD.<sup>52</sup>

As argued by Thomas Kalinowski and Min Joung Park in their paper on the legacy of South Korean firms in Africa, the increase in ODA and foreign direct investment between Korea and Mozambique paved the way for KOGAS to invest in large gas fields and the gas liquefaction projects in Mozambique.<sup>53</sup> Several authors have suggested that the major motivations of South Korea's renewed engagement in Africa is to secure its long-term energy and food security, raw materials,

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<sup>46</sup> Thomas Kalinowski and Min JOUNG Park, "South Korean Development Cooperation in Africa: The Legacy of a Developmental State," *Afrika Spectrum: Deutsche Zeitschrift für Gegenwartsbezogene Afrikaforschung* 51, no. 3 (2016): 64.

<sup>47</sup> Jae-man Ko and Ha-yeon Lee, "KOGAS kicks off construction of FLGN facility in Mozambique," *Pulse*, September 9, 2018, accessed March 1, 2019, <https://pulsenews.co.kr/view.php?year=2018&no=567795>.

<sup>48</sup> Kalinowski and Park, "South Korean Development Cooperation in Africa: The Legacy of a Developmental State," 66.

<sup>49</sup> *Ibid.*

<sup>50</sup> Ha-eun Kim, "[Sponsored Report] Kogas banks on overseas projects," *Korea JoongAng Daily*, September 19, 2018, accessed February 11, 2019, <http://koreajoongangdaily.joins.com/news/article/article.aspx?aid=3053372>.

<sup>51</sup> Korea ODA Statistics, Korea Exim Bank, <https://stats.koreaexim.go.kr/>

<sup>52</sup> *Ibid.*

<sup>53</sup> Kalinowski and Park, "South Korean Development Cooperation in Africa: The Legacy of a Developmental State," 64.

and new markets, whilst contributing to poverty reduction.<sup>54</sup> Based on the information gathered on South Korea's recent ODA engagement with Africa, it can be concluded that despite some effort towards reducing poverty, the driving force for its ODA is commercial and long-term national security interests.

### India in Africa

Among the Asian powers, India is second to China in terms of trade shares in Africa.<sup>55</sup> Globally, it ranked as the 8<sup>th</sup> largest investor in Africa in 2014.<sup>56</sup> The relationship between India and Africa dates back to British colonial era. Through its historical colonial experiences, India has been able to establish a formidable presence in relation to trading and other economic activities across Africa for the past half a century.<sup>57</sup> Mahatma Gandhi has also been a symbolic link between India and Africa, especially during South Africa's struggle for independence.<sup>58</sup> The Indian government later established the India Development and Economic Assistance Scheme (IDEAS) in 2003/04 as a framework to facilitate India's overseas development programs.<sup>59</sup> The IDEAS coordinates with EXIM Bank of India for the delivery of concessionary credit to partner countries. To have a coherent policy framework with Africa, India initiated the India–Africa Forum in 2008.

The first India-Africa summit took place in 2008 with subsequent meetings being held in 2011 and 2015.<sup>60</sup> The framework for cooperation between India and Africa was adopted at the first India–Africa Forum Summit in New Delhi. At the 2015 summit, under the leadership of Prime Minister Modi and 44 African heads of states, India pledged to support Africa with 10 billion USD including various

<sup>54</sup> See: Neville and Darracq, "South Korea's Engagement in Sub-Saharan Africa" and Folley, "Korea's ODA to Africa."

<sup>55</sup> Malancha Chakrabarty, "Indian Investments in Africa: Scale, Trends, and Policy Recommendations," *ORF Occasional Paper* (2018), accessed January 31, 2019, <https://www.orfonline.org/research/indian-investment-africa-scale-trends-and-policy-recommendations/>

<sup>56</sup> *Ibid.*

<sup>57</sup> Iwata Takuo, "Comparative study on 'Asian' approaches to Africa: an introductory reflection," *African Study Monographs* 33, no. 4 (2012): 216, accessed December 24, 2018, [http://jambo.africa.kyoto-u.ac.jp/kiroku/asm\\_normal/abstracts/pdf/33-4/33-4-1.pdf](http://jambo.africa.kyoto-u.ac.jp/kiroku/asm_normal/abstracts/pdf/33-4/33-4-1.pdf).

<sup>58</sup> Rajiv Bhatia, "Reaching out to Africa," *The Hindu*, January 11, 2017, accessed January 10, 2019, <https://www.thehindu.com/opinion/op-ed/Reaching-out-to-Africa/article17019001.ece>.

<sup>59</sup> Dipanjan Roy Chaudhury, "Modi government approves IDEAS scheme to streamline LOC to make Indian funding attractive," *The Economic Times*, December 29, 2015, accessed December 19, 2018, <https://economictimes.indiatimes.com/news/economy/policy/modi-government-approves-ideas-scheme-to-streamline-loc-to-make-indian-funding-attractive/articleshow/50360769.cms>.

<sup>60</sup> Rajiv Bhatia, "Reaching out to Africa."

educational scholarships and infrastructural development projects.<sup>61</sup> India's foreign direct investments in Africa grew from 3.2 billion USD in 2008 to 4.9 billion USD in 2016.<sup>62</sup> Out of the 250.9 billion USD outflow in global Foreign Direct Investment (FDI) from India, Africa received 52.6 billion USD, which accounted for 21% in 2016.<sup>63</sup>

Indian firms operating in Africa range from small businesses to large corporations some of which includes Tata, Mittal and Airtel Major sectors for Indian firms include oil and gas, pharmaceutical, telecommunication, and manufacturing.<sup>64</sup> Countries like Mozambique, South Africa, Tunisia, Morocco, Egypt, Kenya, and Congo are key strategic partners for the Indian government.<sup>65</sup> Central to India's engagement in East Africa is to control and maintain maritime security in the Indian Ocean.<sup>66</sup> The Indian Ocean is an important strategic maritime trade route for both India and Africa, with over 50% of Africa's energy trade passing through the Indian Ocean.<sup>67</sup> Another key component to India's engagement with Africa is investment in agriculture. Over the past decade, the EXIM Bank of India has provided credit facilities to partner countries, especially in the agriculture sector.

Ethiopia has received the largest share of India's agricultural investment in Africa, with sugar processing and other related industries totaling over 600 million USD. In Ghana, a sugarcane processing factory was completed and handed over to the Ghanaian government in 2016.<sup>68</sup> Similar to major Asian investors, like South Korea and China, India also hopes to secure new markets and ensure energy and food security through strategic efforts by advancing its ODA, trade deals, and FDI into Africa.<sup>69</sup>

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<sup>61</sup> Ibid.

<sup>62</sup> Chakrabarty, "Indian Investments in Africa: Scale, Trends, and Policy Recommendations."

<sup>63</sup> Ibid.

<sup>64</sup> Ibid.

<sup>65</sup> Ibid.

<sup>66</sup> The Economist, "Asia's scramble for Africa – New rivalries on a contested continent."

<sup>67</sup> Gupta Prakhar, "Modi's Africa Visit: Toward Greater Cooperation in Maritime Security," Indo-Africa Chamber of Commerce and Industry, July 18, 2016, accessed January 31, 2019, <https://www.indoafican.org/modis-africa-visit-toward-greater-cooperation-in-maritime-security-by-prakhar-gupta/>.

<sup>68</sup> Jedwin Appiah, "Komenda Sugar Factory will create 7,000 jobs – Mahama resurrects Nkrumah's dream," *MyjoyNews*, May 30, 2016, accessed November 25, 2018, <http://www.myjoyonline.com/news/2016/May-30th/komenda-sugar-factory-will-create-7000-jobs-mahama-resurrects-nkrumahs-dream.php>.

<sup>69</sup> Chakrabarty, "Indian Investments in Africa: Scale, Trends, and Policy Recommendations."

**Table 2.** Agriculture and related projects already funded and proposed by India EXIM Bank (2003-2016). (Source: EXIM Bank of India)

Country	Year	Projects	Value USD Millions
Burkina Faso	2005-06	<ul style="list-style-type: none"> <li>Acquisition of tractors, harvesters, agro-processing equipment</li> </ul>	30.0
Cameroon	2008-09	<ul style="list-style-type: none"> <li>Maize plantation project, rice plantation project</li> </ul>	37.7
	2011-12	<ul style="list-style-type: none"> <li>Cassava plantation</li> </ul>	42.0
Chad	2005-06	<ul style="list-style-type: none"> <li>Cotton yarn plant, agro-processing plant, irrigation equipment</li> </ul>	50.0
Cote d'Ivoire	2005-06	<ul style="list-style-type: none"> <li>Vegetable extraction, fruit and vegetable chips, cocoa and coffee production</li> </ul>	26.8
	2007-08	<ul style="list-style-type: none"> <li>Fishery processing unit, coconut fiber processing plant</li> </ul>	5.5
	2009-10	<ul style="list-style-type: none"> <li>Rice production program</li> </ul>	30.0
Ethiopia	2007-12	<ul style="list-style-type: none"> <li>Development of sugar industry</li> </ul>	639.5
Malawi	2007-08	<ul style="list-style-type: none"> <li>Irrigation storage, tobacco threshing plant</li> </ul>	30.0
	2010-11	<ul style="list-style-type: none"> <li>Cotton processing, green belt initiatives</li> </ul>	50.0
Swaziland	2011-12	<ul style="list-style-type: none"> <li>Agricultural development, mechanization of Agriculture</li> </ul>	37.9
Tanzania	2007-08	<ul style="list-style-type: none"> <li>Exports of tractors and</li> </ul>	40.0

		pumps	
	2011-12	• Biodiesel production	35.0
Togo	2011-12	• Farming and cultivation of rice, maize, sorghum	13.1
Ghana	2014-15	• Sugarcane and irrigation project	24.54
Kenya	2015-16	• Agricultural mechanization project	100.00

**Note:** Table 2 provides an overview of India's participation in the agriculture sector in Africa from 2003 to 2016.

**Table 3.** Key similarities between South Korea and India engagement with Africa. (Source: Iwata, 2012)

<b>South Korea and India</b>
• Aid is tied to trade deals and FDI to advance domestic economic interest whilst contributing to poverty reduction
• Long-term food and energy security
• Both are members of G20
• The use of colonial legacy narrative as a commonality towards their African counterparts
• The use of high-level summits to make pledges: Korea Africa Forum, India Africa Summit
• Active engagement with Africa started within the last two decades
• The use of EXIM Bank for concessionary loan disbursement
• Technical cooperation programs are managed by donor countries: Indian Technical and Economic Cooperation, Korea International Development Cooperation

**Note:** Table 3 highlights some key similarities between South Korea and India ODA, Trade and Investment in Africa.

**Table 4.** Key differences between South Korea and India engagement with Africa (Source: Iwata, 2012)

India	South Korea
<ul style="list-style-type: none"> <li>• Aid allocation is concentrated in few countries</li> </ul>	<ul style="list-style-type: none"> <li>• Broader coverage</li> </ul>
<ul style="list-style-type: none"> <li>• Weak institutional framework to coordinate aid</li> </ul>	<ul style="list-style-type: none"> <li>• Stronger institutions</li> </ul>
<ul style="list-style-type: none"> <li>• Large presence of small/medium scale firms</li> </ul>	<ul style="list-style-type: none"> <li>• Mainly government-backed large corporations</li> </ul>
<ul style="list-style-type: none"> <li>• Large agriculture-related projects</li> </ul>	<ul style="list-style-type: none"> <li>• Small agriculture-related projects</li> </ul>
<ul style="list-style-type: none"> <li>• Strong colonial solidarity with Africa</li> </ul>	<ul style="list-style-type: none"> <li>• Weak colonial solidarity</li> </ul>
<ul style="list-style-type: none"> <li>• Non-OECD DAC member</li> </ul>	<ul style="list-style-type: none"> <li>• OECD DAC Member</li> </ul>

**Note:** Table 4 provides some key differences in ODA, trade agreements, and FDI between South Korea and India in Africa.

### Case Study Analysis of South Korea's Engagement in Africa

Since attaining multi-party democratic status in 1992, Ghana has strived to achieve lower middle income status with a growing middle class and has often been hailed as a beacon of successful African democracy.<sup>70</sup> Ghana and South Korea first established diplomatic relations in 1977, with Ghana later opening its embassy in Seoul in 1999 amidst growing interest in South Korea and increase in engagement between the two countries.<sup>71</sup> Ghana views South Korea as a successful developed partner with the capacity to assist in building its economy, whilst at same time serving as a useful market for South Korean manufactured products.<sup>72</sup>

Another African country that has showed keen interest in South Korea's development model and hopes to replicate such success is Rwanda. Since coming into power in 1994, Paul Kagame has transformed Rwanda from a war-torn country into a peaceful state with

<sup>70</sup> Faith Karimi, "Obama hails Ghana as 'model for democracy' in Africa," *CNN*, March 9, 2012, accessed October 15, 2018, <http://edition.cnn.com/2012/03/08/world/africa/obama-ghana-president/index.html>.

<sup>71</sup> Agyapong, "An assessment of Ghana-South Korea relations under the NPP administration," 2.

<sup>72</sup> *Ibid.*, 1.



modest economic success; Rwanda's per capita income is now over 700 USD, compared to just 150 USD during the civil war from 1990 to 1994.<sup>73</sup> The government of Rwanda under president Kagame has sought to pursue alternate development strategies by developing new allies with countries in Eastern Europe, Middle East and Far East to attract foreign investments and trade to drive economic development.<sup>74</sup> Being an admirer of South Korea's developmental state model, Kagame has made efforts to deepen the bilateral cooperation between Rwanda and South Korea. In 2009, Rwanda opened its embassy in Seoul amid increasing engagement between the two countries.<sup>75</sup> Central to Rwanda's engagement strategy with South Korea is the quest to become an Information and Communication Technology (ICT) hub in Sub-Saharan Africa. In this regard, South Korea has successfully initiated a number of ICT related projects in Rwanda using public private partnerships.<sup>76</sup>

### **South Korea in Rwanda**

Rwanda has made remarkable improvements in economic development since the end of its protracted and violent civil war during the 1990s. It is now among the fastest growing economies in Central Africa with an impressive Gross Domestic Product (GDP) growth rate of 8% from 2001 to 2014.<sup>77</sup> The government of Rwanda, led by President Paul Kagame, holds an ambitious vision of transforming the country from a low-income agricultural nation to a knowledge-based economy with a prosperous middle-class by 2020, a key objective of its Economic Development and Poverty Reduction Strategy.<sup>78</sup> As part of the strategy in achieving Rwanda's long term development vision, President Kagame visited South Korea on several occasions. During his visits to South Korea in 2008, 2011 and 2014, Kagame outlined Information and Communication Technology (ICT), education, and agriculture as central to his

<sup>73</sup> Kigali, "Paul Kagame, feted and feared," *The Economist*, July 15, 2017, accessed October 17, 2018, <https://www.economist.com/briefing/2017/07/15/paul-kagame-feted-and-feared>.

<sup>74</sup> Edmund Kagire, "Rwanda looks east for new economic allies," *The East African*, July 6, 2012, accessed January 10, 2019, <https://www.theeastafrican.co.ke/rwanda/News/Rwanda-looks-east-for-new-economic-allies-/1433218-1446860-s6xwga/index.html>.

<sup>75</sup> Kalinowski and Park, "South Korean Development Cooperation in Africa: The Legacy of a Developmental State," 69.

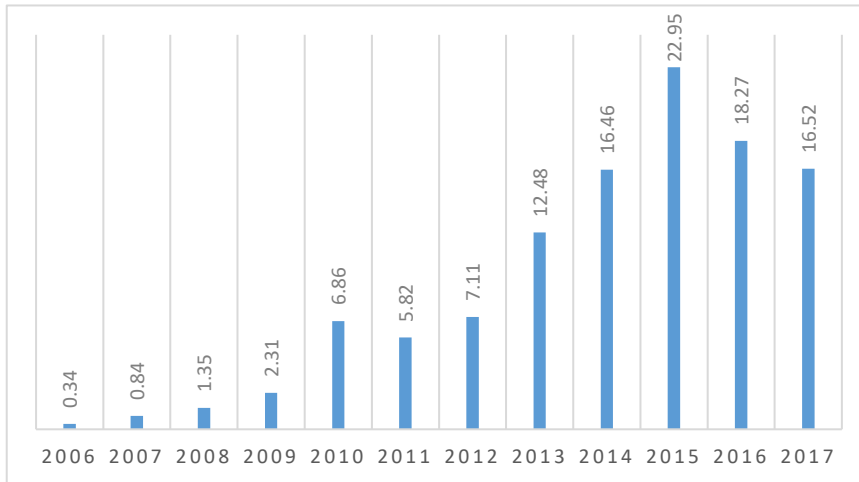
<sup>76</sup> Ibid.

<sup>77</sup> Rosamond Hutt, "5 things to know about Rwanda's economy," World Economic Forum, April 7, 2016, accessed November 5, 2018, <https://www.weforum.org/agenda/2016/04/5-things-to-know-about-rwanda-s-economy/>.

<sup>78</sup> Kalinowski and Park, "South Korean Development Cooperation in Africa: The Legacy of a Developmental State," 70.

administration's development initiative.<sup>79</sup> Globally, South Korea is known for its knowledge-based economy built on ICT, which also happens to be a key component of its ODA strategy.<sup>80</sup> Rwanda seeks the assistance of South Korea's ICT sector in realizing their vision for 2020.

**Figure 1.** South Korea's Bilateral Aid to Rwanda (2006-2017, USD millions).  
(Source: Korea ODA Statistics, EXIM Bank of Korea, 2015)



Since President Kagame's first visit to South Korea, engagement between Rwanda and South Korea has increased over the past decade: Rwanda was identified as a top priority for the South Korean government in 2013.<sup>81</sup> From 2013 to 2017, Rwanda received ODA totaling 86.68 million USD from South Korea; a significant increase compared to the total of 24.63 million USD it received from 2006 to 2012 (see Figure 1). In 2017, the South Korean government allocated 7 million USD through KOICA towards the development of human capital in ICT-related education programs in Rwanda for the next five years.<sup>82</sup> The project includes dispatching Korean ICT experts and officers to help train their Rwandan counterparts.

<sup>79</sup> Ibid.

<sup>80</sup> Christian R. Bueno, "Evolution of ICTs in Peru and Key factors for its Development Under the Korean Model," *Journal of Poverty Alleviation & International Development* 4, no. 2 (2013): 6.

<sup>81</sup> Kalinowski and Park, "South Korean Development Cooperation in Africa: The Legacy of a Developmental State," 68.

<sup>82</sup> "KOICA Annual Report 2017," KOICA, accessed January 19, 2019, [https://www.koica.go.kr/koica\\_en/3492/subview.do](https://www.koica.go.kr/koica_en/3492/subview.do).

Korea Telecom (KT) and the Government of Rwanda reached an agreement in 2007 for KT to provide wireless high-speed internet to Rwanda. Subsequently, in 2008, KT secured a contract worth 38 million USD to construct a national backbone network to connect Kigali, the capital city of Rwanda, with thirty other major cities.<sup>83</sup> Later in 2013, KT embarked on another deal with the Rwandan government worth 140 million USD to provide high-speed 4G internet service which is expected to connect to 95% of the population by 2017.<sup>84</sup> In 2016, South Korea signed the Telemedicine Project with Rwanda which will use domestic companies like Korea Telecom and Severance Hospital to establish an information technology network that facilitates the communication on disease information and to connect doctors from Severance Hospital with patients in remote areas of Rwanda.<sup>85</sup> Through these public-private partnerships, the government of Rwanda and Global Green Growth Institute, an international organization based in Seoul, has been supporting Rwanda's urban green revolution in line with the country's long-term green infrastructural development goals.<sup>86</sup> Today, Kigali stands out as one of the most environmentally friendly cities in Africa. South Korea is playing a central role in Rwanda's great economic progress, especially in the ICT sector.

South Korea's domestic interests are visible in its engagement with Rwanda. The infiltration of Korea Telecom (KT), one of its *Chaebol* conglomerates, into Rwanda suggests that South Korea is seeking long-term participation in Rwanda's economy. Moreover, South Korea uses ODA projects, like the ICT infrastructure in Rwanda, to advance its access and obtain subcontracts for South Korean companies to operate in Rwanda.<sup>87</sup> According to data collected from the Rwandan government in 2017, South Korea ranks third among the other Asian giants in volume of bilateral assistance to Rwanda behind Japan and China (see Table 5).

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<sup>83</sup> Kalinowski and Park, "South Korean Development Cooperation in Africa: The Legacy of a Developmental State," 68.

<sup>84</sup> Neville and Darracq, "South Korea's Engagement in Sub-Saharan Africa."

<sup>85</sup> Gi-hyun Nam, "S. Korea to launch telemedicine project in Rwanda," *Pulse*, August 2, 2016, accessed October 16, 2018, <http://pulsenews.co.kr/view.php?year=2016&no=549564>.

<sup>86</sup> Minnie Karanja, "Rwanda's regulatory environment in support of green urban development," *The New Times*, May 5, 2016, accessed December 19, 2018, <http://www.newtimes.co.rw/section/article/2016-05-05/199599/>.

<sup>87</sup> Kalinowski and Park, "South Korean Development Cooperation in Africa: The Legacy of a Developmental State," 70.

**Table 5.** ODA from South Korea, Japan, China, and India to Rwanda (2013-2016). (Source: Government of Rwanda, 2017)

Country	2013/14	2014/15	2015/16	Total USD Millions
<b>South Korea</b>	13,371,213	20,333,764	23,798,060	57,503,037
<b>Japan</b>	45,319,357	14,319,357	25,586,321	85,113,427
<b>China</b>	6,685,373	36,542,042	25,936,870	69,164,285
<b>India</b>	14,389,255	5,199,220	1,493,750	21,082,225

**Note:** The table provides an overview of Asian middle powers bilateral assistance to Rwanda from 2013-2016.

### South Korea in Ghana

In 1957, Ghana and South Korea's economy looked very similar with a GDP per capita around 67 USD.<sup>88</sup> South Korea has successfully transitioned from an aid-dependent country to a major aid donor while Ghana continues to struggle as an aid-dependent country facing daunting economic challenges. Ghana now views South Korea as a successful and prosperous country from which it can learn valuable lessons to transform its own economy. Since the first Korea–Africa Forum held in Seoul 2006, Ghana has been a regular participant of Korea Aid related development summits.<sup>89</sup> In return, South Korea has shown great respect and admiration for Ghana's track record of good governance, promotion of liberal market economics, and press freedom.<sup>90</sup>

Ghana was selected by South Korea as the recipient of long-term loans and grants for the years 2011 to 2015, and 2015 to 2020. Since Ghana's selection in 2011, South Korea has actively participated in various poverty reduction programs, such as providing water and electrification in rural areas and creating community health facilities across Ghana. These initiatives have improved the accessibility of essential services and basic needs considerably for the people of Ghana. From 2011 to 2015, Ghana received ODA totaling around 93 million

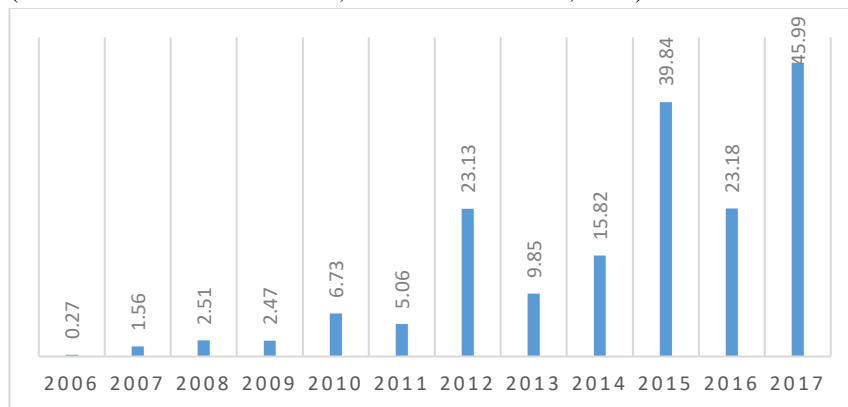
<sup>88</sup> Kelechi A. Kalu and Jiyoun Kim, "State-business relations, foreign aid, and development: a comparative study of Ghana and South Korea," *Korean Social Science Journal* 41, no. 2 (2014): 114.

<sup>89</sup> Agyapong, "An assessment of Ghana-South Korea relations under the NPP administration," 43.

<sup>90</sup> *Ibid.*, 45

USD, which is a significant increase compared to the 11 million USD it received from 2006 to 2010 (see Figure 2). The largest ODA Ghana has received from South Korea since 2006 is 45.99 million USD, in 2017. In October 2017, the president of Ghana announced the completion of a water supply facility that was financed through the loan awarded in 2012, worth 122.7 million USD.<sup>91</sup> The water treatment plant is expected to provide 3.3 million gallons of water per day to the residents of WA in Northern Ghana.<sup>92</sup> Again in March of 2017, Korea offered another concessionary loan worth 200 million USD to Ghana for various developments projects.<sup>93</sup>

**Figure 2.** South Korea's Bilateral Aid to Ghana (2006-2017, USD Millions). (Source: Korea ODA Statistics, Exim bank of Korea, 2015)



In addition to infrastructure development projects, South Korea has contributed significantly in the health sector; improving community health infrastructures in rural areas by providing 9 million USD towards the construction of healthcare facilities to various communities in the Upper East Region of Ghana.<sup>94</sup> Furthermore, in the education sector, the

<sup>91</sup> Yakubu Abdul-Gafur, "Nana Addo inaugurates \$51.1 million Wa water supply project,"

*GhanaWeb*, October 3, 2017, accessed October 31, 2018,

<https://www.ghanaweb.com/GhanaHomePage/NewsArchive/Nana-Addo-inaugurates-51-5-million-Wa-water-supply-project-587230>.

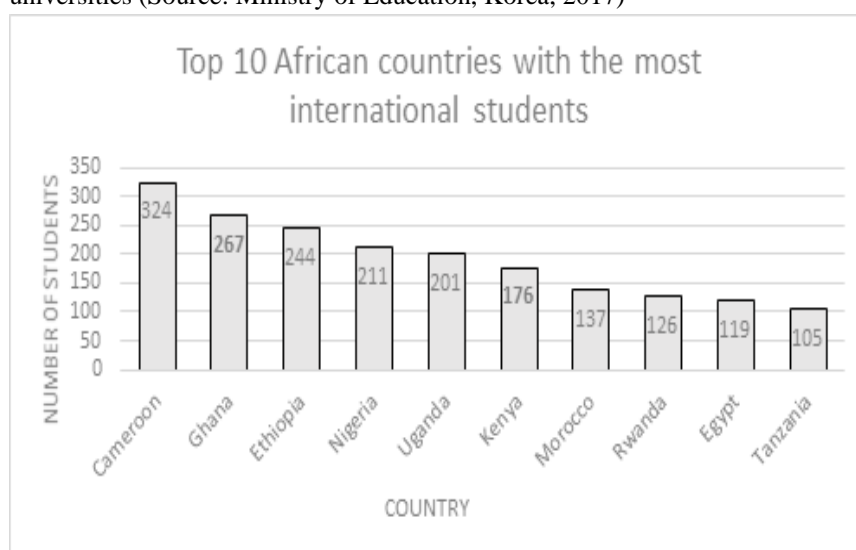
<sup>92</sup> *Ibid.*

<sup>93</sup> Kekeli Bina-Agboada, "Ghana, Korea sign \$200m loan agreement," *Daily Graphic*, April 4, 2017, accessed October 8, 2018, <https://www.graphic.com.gh/news/general-news/ghana-Korea-sign-200m-loan-agreement.html>.

<sup>94</sup> See: Afari Obed Kumi, "Korea supports Ghana to build more CHPS compounds," *CitiNews*, August 21, 2016, accessed February 17, 2019, <http://citifmonline.com/2016/08/21/korea-supports-ghana-to-build-more-chps-compounds/> and Modern Ghana, "Korea Eximbank's Activities in Ghana," October 24, 2015, accessed October 2, 2018,

Korean government has created scholarship program to invite students from Ghana, at the undergraduate and graduate levels, to be educated and receive training from various universities in South Korea (see Figure 3). According to the data collected from Korea's Ministry of Education in 2017, Ghana and Rwanda are ranked as second and eighth, respectively, in the number of international students studying at a South Korean university. These numbers attest to the growing interest for mutual cooperation between South Koreans and their African counterparts.

**Figure 3.** Top ten African countries with the most students in South Korean universities (Source: Ministry of Education, Korea, 2017)



**Note:** The chart provides an overview of the number of African students studying in South Korean universities in both undergraduate and graduate level education.

Unquestionably, Ghana and South Korea enjoy excellent diplomatic, economic, and cultural relations. Their relationship dates back to the early 1990s when South Korea supported Ghana with the construction of seven petroleum oil storage facilities.<sup>95</sup> Ghana is currently competing to become the leading oil and gas producer in West Africa. In 2007, Ghana discovered oil in commercial quantities with

<https://www.ghanaweb.com/GhanaHomePage/business/Korea-Eximbank-s-Activities-in-Ghana-389693>.

<sup>95</sup> Salomey Appiah, "Ghana, Korea deepen co-operation," *Daily Graphic*, October 20, 2014, accessed October 21, 2018, <https://www.graphic.com.gh/news/general-news/ghana-Korea-deepen-co-operation.html>.

production beginning in 2010.<sup>96</sup> It is also important to consider the fact that South Korea relies heavily on energy imports (98% of its fossil fuel consumption) due to insufficient domestic resources.<sup>97</sup> A similar strategy used in Mozambique by South Korea for gas exploration and production could be applied to Ghana's oil and gas sector. The increase in ODA, including concessional loans from South Korea to Ghana, could be laying the ground for major Korean firms like Korean Gas Company, Korea National Oil Company, and others in the industry to gain access to the new and booming petroleum industry in Ghana.

### **Analysis and Conclusion**

South Korea and India's development assistance programs in Africa are dominated by commercial and natural resource diplomacy. Both countries are competing against one another and other Asian powers, like Japan and China, for access to Africa's raw materials as well as to secure new markets for their companies at home. South Korea has effectively utilized ODA to penetrate into new and emerging markets across Africa, with particularly great success in Ghana and Rwanda, as explained in the two case studies earlier. To ensure that its national security concerns for energy are met, South Korea has utilized its ODA to assist developing countries in Africa combat poverty in exchange for access to their energy reserves. In addition, South Korea is using its ODA to establish itself in the international community as a middle power; as eloquently articulated by Hyo-sook Kim: "For Korea, compliance with the poverty reduction norm has been a way to advance its foreign policy goals. To attain national identity as a developed country and establish global status as a middle power, Korea must be recognized as such by the international community. To gain this recognition, Korea must cooperate in solving prominent global issues such as poverty."<sup>98</sup>

As detailed in the case study, South Korea views Ghana as an established democracy that holds considerable leverage at the African Union and United Nations. South Korea has engaged with Ghana on

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<sup>96</sup> Erik Planitz and Daniela Kuzu, "Oil Production and the transformation of livelihoods of communities in Ghana," Institute for Statistical Social and Economic Research (ISSER), University of Ghana, 2015, accessed November 9, 2018, <https://library.fes.de/pdf-files/bueros/ghana/11295.pdf>.

<sup>97</sup> "Country Analysis Brief: South Korea," U.S. Energy Information Administration, last updated July 2018, accessed November 19, 2018, [http://www.ieee.es/Galerias/fichero/OtrasPublicaciones/Internacional/2018/EIA\\_south\\_korea\\_20jul2018.pdf](http://www.ieee.es/Galerias/fichero/OtrasPublicaciones/Internacional/2018/EIA_south_korea_20jul2018.pdf).

<sup>98</sup> Hyo-sook Kim, "South Korea's Aid to Africa and Compliance with International Norms," *African and Asian Studies* 16, no. 4 (2017): 17, doi: <https://doi.org/10.1163/15692108-12341380>.

various development projects and have positioned itself as a favorable partner for Ghana. The increase in engagement between the two countries bodes well for future bilateral relations and presents a multitude of opportunities. South Korea seeks to secure energy – a national security concern – via obtaining access to Ghana’s abundant oil supply by providing substantial ODA, while Ghana, in turn, can benefit equally by developing an effective policy framework designed to ensure the efficient utilization of grants and loans towards the development of the country.

Contrasted with Ghana, South Korea’s engagement with Rwanda is dominated by ICT and green infrastructure. Kigali is gradually emerging as the tech-hub of Africa and the government continues to focus on transforming Rwanda into a high-tech industrial country. Korean companies are engaging in private-public partnerships by sharing their knowledge and expertise with the people of Rwanda to achieve the goal of becoming a knowledge-based industrialized African state. South Korea has contributed positively toward the development and transformation of Rwanda. This positive development could also be attributed to the fact that the assistance from South Korea to Rwanda falls in line with Rwanda’s own long-term economic development and poverty alleviation initiative. The case of Rwanda reinforces the need for African countries to clearly identify their domestic policies for economic development and poverty alleviation in order to better align, and thus effectively use the inflow of ODA towards overcoming domestic challenges.

South Korea’s ODA allocation to Ghana, Rwanda and other African countries is influenced by the need of the recipient country and South Korea’s domestic economic concerns and global aspirations. South Korea effectively utilizes ODA to advance its national interests, while also providing assistance through knowledge and finance to alleviate poverty in Africa. While acknowledging that this study is limited in scope, it has provided an overview of South Korea’s development assistance strategies in two of its priority countries on the continent. Further research, both qualitative and quantitative, should focus on Asian middle powers in Africa in relation to the contribution of ODA towards the development of Africa. In particular, research should seek to understand South Korean ODA from the perspective of recipient countries in Africa.



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