1. INTRODUCTION

Education plays an important role not only in human resource development but also in politics, economics, and cultural development. Education contributes to the areas related to national development such as human resource development, technical innovation, and socio-economic growth. In the cases of South Korea, Singapore, and Taiwan, which accomplished socio-economic growth in a relatively short period, the role of education was significant in developing the country (World Bank 1993, 2002; Chemingui & Ayadi, 2003). Despite the lack of natural resources, these counties proved to be advanced countries by strategic investment in human resource development. Such relationship between education and national development has been explored by many advanced research and theories.

Typical theories that interpret this relationship are mostly modernization and human capital theories. First, modernization theory explains differentiation of countries’ development to the extent of advancement of society and technology. After the World War II, education was considered as a trigger to modernization. According to the modernization theory, newly-independent nations ought to shed traditional and conventional ways of thinking and adopt modern values, attitudes, and beliefs for being an advanced nation (Inkeles & Smith, 1974). In other words, prior to conducting modernization of society and economy, modernized values should be passed on to next other generation and lie at the root of society. Thus, schools are the core institution of modernization which play a role of passing on modern values, and therefore, education is a prerequisite for modernization (Fagerlind & Saha, 1989). Second, human capital theory emphasizes economic growth for national development. According to the human capital theory, economic growth is influenced by both corporeal capital and human capital. Human capital means acquired knowledge, skills, and information by education, and training and welfare which enhance worker’s productivity. That is, knowledge, skills, and training acquired through education improve worker productivity, and thereby increase both individual and national incomes. Education is considered as a productive investment for accumulation of human capital (Agbo, 2003). Research by Hanushek and Woßmann (2007) showed that economic growth
increased 0.58% by expanding one year of education. Arguably, the human capital theory provides a justification for a large scale of public investment to education (Olaniyan & Okemakinde, 2008).

In the globalized society, educational development, which influences human resource development and national development, highly depends on international cooperation. From the last millennium, private and public organizations have been dealing with education as a crucial theme for development. Since 1948, after the Universal Declaration of Human Rights, the importance of education was affirmed by the international community. The Universal Declaration of Human Rights describes that all men/women have the right to receive education and be treated with dignity. This is especially emphasized in Article 26. The purpose of Article 26 is to reaffirm the Declaration of Rights of the Child by UN General Assembly, which was actualized by the Convention on the Rights of the Child in 1989. Compulsory primary education provision, secondary education promotion, and higher education expansion were recommended. Additionally, it was specified in Article 26 to serve eradication of international illiteracy and ignorance, and education cooperation.

All the endeavours of the international community to educational development have turned into public service since the Jomtien Declaration on Education for All (EFA) in 1990. EFA was more specified in the World Education Forum in Dakar in 2000, with the participation of national governments, international organizations and NGOs. In this forum, the Dakar Framework for Action was designed, which provided a feasible plan for achieving the six EFA goals (UNESCO, 2002). To achieve these goals, UNESCO, OECD, UNICEF, World Bank and many other international organizations are cooperating. Also, Education for All was applied to the Millennium Development Goals (MDGs) by UN in 2000. MDGs set eight sub-goals to support the human development agenda by 2015.

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2 (i)expanding and improving comprehensive early childhood care and education, especially for the most vulnerable and disadvantaged children; (ii) ensuring that by 2015 all children have access to and complete free and compulsory primary education of good quality; (iii) ensuring that the learning needs of all young people and adults are met through equitable access to appropriate learning and life skills programs; (iv) achieving a 50 percent improvement in levels of adult literacy by 2015, especially for women, and equitable access to basic and continuing education for all adults; (v) eliminating gender disparities in primary and secondary education by 2005, and achieving gender equality in education by 2015; (vi) improving all aspects of the quality of education and ensuring excellence of all so that recognized and measurable learning outcomes are achieved by all.
### Table 1: Key Capabilities for Human Development Corresponding Millennium Development Goals

<table>
<thead>
<tr>
<th>Key capabilities for human development</th>
<th>Corresponding Millennium Development Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Having a decent standard of living</td>
<td>Goal 1 Eradicating extreme poverty and hunger</td>
</tr>
<tr>
<td>Being educated</td>
<td>Goal 2 Achieving universal primary education</td>
</tr>
<tr>
<td>Equity—especially gender equity</td>
<td>Goal 3 Promoting gender equality and empowering women</td>
</tr>
<tr>
<td>Living a long and healthy life</td>
<td>Goal 4 Reducing child mortality</td>
</tr>
<tr>
<td></td>
<td>Goal 5 Improve maternal health</td>
</tr>
<tr>
<td></td>
<td>Goal 6 Combating HIV/AIDS, malaria and other diseases</td>
</tr>
<tr>
<td>Environmental sustainability</td>
<td>Goal 7 Ensuring environmental sustainability</td>
</tr>
<tr>
<td>Enabling global economic environment</td>
<td>Goal 8 Strengthening partnership between rich and poor countries</td>
</tr>
</tbody>
</table>

The significance of education in economic development as well as national development is large, especially in developing countries. Through education, quality labor force and human capital can be enhanced. Although education is an end in itself, cooperation in education affects not only on individual life but also capacity building at national level.

#### 2. OFFICIAL DEVELOPMENT ASSISTANCE (ODA)

a) Concept

Official Development Assistance (ODA) is defined as grants or loans to countries and territories on the Development Assistance Committee (DAC) List of ODA Recipients and to multilateral agencies which are: i) undertaken by the official sector; ii) with promotion of economic development and welfare as the main objective and iii) at concessional financial terms (if a loan, having a grant element of at least 25 percent). In addition to financial flows, technical cooperation is included in ODA (OECD DAC Glossary).

In general, Official Development Assistance is classified into various ways, such as donors, terms of repayments, and limiting conditions, and field of education. First, ODA is broadly divided into bilateral and multilateral aid. Bilateral aid is given directly from donor to recipient countries, while multilateral aid is provided through international organizations. Second, ODA is classified into grant-type and loan-type aid. Under grant-type aid, recipient countries do not carry any duty of redemption. It involves technical cooperation, food assistance, and disaster relief. Loan-type aid, also called as credit assistance, imposes duty of redemption to recipient developing countries.

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Public infrastructure development projects are usually conducted with the support of loan-type aid. Also, in accordance with limiting conditions, ODA is classified into tied aid and untied aid. Tied aid means that procurement of the goods or services involved is limited to the donor country or to a group of countries. Under the condition of untied aid, the associated goods and services are fully and freely procured in all countries (OECD DAC Glossary).

<table>
<thead>
<tr>
<th>Recipient</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>100,510 (100)</td>
<td>93,254 (100)</td>
<td>117,537 (100)</td>
<td>109,014 (100)</td>
<td>114,876 (100)</td>
<td>108,133 (100)</td>
</tr>
<tr>
<td>Europe</td>
<td>3,730 (3.71)</td>
<td>2,485 (2.66)</td>
<td>3,638 (3.10)</td>
<td>3,059 (2.81)</td>
<td>4,059 (3.53)</td>
<td>3,571 (3.30)</td>
</tr>
<tr>
<td>Africa</td>
<td>37,036 (36.85)</td>
<td>30,255 (32.44)</td>
<td>36,707 (31.32)</td>
<td>35,930 (32.96)</td>
<td>34,579 (30.10)</td>
<td>34,123 (31.56)</td>
</tr>
<tr>
<td>America</td>
<td>7,608 (7.57)</td>
<td>6,718 (7.20)</td>
<td>7,848 (6.68)</td>
<td>8,541 (7.83)</td>
<td>11,898 (10.36)</td>
<td>9,477 (8.76)</td>
</tr>
<tr>
<td>Asia</td>
<td>30,672 (30.52)</td>
<td>34,592 (37.09)</td>
<td>47,133 (40.10)</td>
<td>36,800 (33.76)</td>
<td>36,491 (31.77)</td>
<td>32,596 (30.14)</td>
</tr>
<tr>
<td>Oceania</td>
<td>1,327 (1.32)</td>
<td>1,297 (1.39)</td>
<td>1,688 (1.44)</td>
<td>1,496 (1.37)</td>
<td>1,818 (1.58)</td>
<td>2,127 (1.97)</td>
</tr>
<tr>
<td>Unspecified</td>
<td>20,136 (20.03)</td>
<td>17,907 (19.20)</td>
<td>20,524 (17.46)</td>
<td>23,187 (21.27)</td>
<td>26,031 (22.66)</td>
<td>26,238 (24.26)</td>
</tr>
</tbody>
</table>

In addition, education ODA is divided into specific fields of education as listed in Table 3. As seen in Table 3, OECD DAC provides guidelines for classifying development cooperation in education.

<table>
<thead>
<tr>
<th>Division</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Education</td>
<td>Early Childhood Education</td>
</tr>
<tr>
<td></td>
<td>Elementary Education</td>
</tr>
<tr>
<td></td>
<td>Adolescent-Adult Education</td>
</tr>
<tr>
<td>Secondary Education</td>
<td>Secondary Education</td>
</tr>
<tr>
<td></td>
<td>Vocational Education</td>
</tr>
<tr>
<td>Higher Education</td>
<td>Higher Education</td>
</tr>
<tr>
<td></td>
<td>Technical Education</td>
</tr>
<tr>
<td></td>
<td>Education and Training of Administrator</td>
</tr>
</tbody>
</table>

4 OECD DAC Aid Statistics
ODA in education can be divided into hardware, software, human-resource in accordance with components of the project (Lee, 2007). Hardware project would be providing facilities and materials that are needed in education such as school construction and educational materials. Software projects include supporting curriculum via educational content and teaching methods. Lastly, human-resource project is related to the building of individual capacity in education, for example, competence improvement of teachers by training program and consulting. Education project is fully operated with the involvement of teachers, curriculum, and facilities, so that effective synergy occurs when all fields and types of education ODA are associated.

The definition and activities of ODA are mainly limited to aid operation. The definition of ODA emphasizes the dispensation aspect of aid provision and implies an asymmetrical relationship between donor and recipient countries. However, a paradigm shift has been requested from dispensation aspect (development assistance) to mutual cooperation based on equal status among partner countries (development cooperation) (Lee, 2007).

Meanwhile, strategies of development and cooperation can be broken down into the project-based approach, Program-Based approach (PBA), and Sector-Wide approach (SWAp). Among these classifications, the project-based approach has been applied most frequently till the end of the 1970s, which supports specific area with short-term aspect. This includes, for example, the ODA projects that support specific areas such as educational facilities and teacher training. However, concerns in ODA raised the issues of expansion in access to basic formal education versus quality education, which shifted the focus from a quantitative expansion on access and participation in formal education to a concern with the qualitative aspect. The move towards program-based approach (PBA) represents a paradigm shift in aid delivery. Through PBA, donors contribute to a coherent set of development activities at the national, sectoral, sub-sectoral or thematic level – typically by making funds and other inputs available to support the development and implementation of a single, country-led strategy. Education Sector Investment Programs (ESIP) of the World Bank is one example of applying PBA to education ODA (Harrold et al. 1995). In the ESIP, each program should embrace related sectors with a logical framework. Concretely, interested parties in recipient countries should play an important role in executing aid, and
related donor countries must assist all programs with long-term financial aid and technical support.

The sector-wide approach is adopted to complement the problems of the program-based approach in the 1990s. The sector-wide approach is fundamentally close to the program-based approach; however, it is different in that the sector-wide approach considers more comprehensive means of cooperation (Lee et al., 2007). For instance, by supporting not only certain sectors of education but also many other sectors related to the same goals, through sector-wide approach, participation is expanded from education to various areas such as economy and health. The sector-wide approach displays the following characteristics: i) a clear nationally-owned sector policy and strategy, ii) a medium-term expenditure program that reflects the sector strategy, iii) a systemic arrangement for programming the resources that support the sector, iv) a performance monitoring system that measures progress and strengthens accountability, v) broad consultation mechanism that involves all significant stakeholders, vi) a formalized government-led process for aid coordination and dialogue at the sector level and vii) an agreed process for moving towards harmonized systems for reporting, budgeting, financial management and procurement (OECD, 2005).

If there was greater recipient-country ownership, cooperation and harmonization among donors has improved, and the changes in aid management relationships have affected relationships in non-donor based strategy activities. Increased flow of funds led to improved service delivery and policy dialogue had influenced policy development and smooth implementation process. There have been some adverse effects such as increased transaction costs and less predictable funding resulting from the need to reach the program conditionality.

b) Education ODA in South Korea

South Korea is the only country which joined OECD DAC among the developing countries after 2000. And the key background of South Korea’s important role in international cooperation in education is common conditions with developing countries. Despite once poor infrastructure various internal disputes including border, ethnic, and political issues, South Korea has removed the label of least developed country and remarkably progressed enough to help recipient countries.
In regard to case of South Korea, there are immense endeavors of government such as the Education Ministry and the Strategy and Economy Ministry to promote Knowledge Sharing Program under developing countries. The most important point is that, since 2006, South Korea is exporting its experience of education development under international cooperation to the world. This means that the case of South Korea indicates significant implications to education cooperation in national level.

Fig 1. Process of Issue Formation in Education Cooperation

Issues that are considered in developing countries are diverting to the public policy agenda. This process of formation is dynamic in that it goes through the stage of issue formation, issue expansion, and issue diversion. The whole process develops the issues of education cooperation from social issues to the international agenda. For instance, NGOs such as Education Without

Borders (EWB) ensured that education cooperation remained on the international agenda through the G20 conference with their constant suggestions. However, if the issues are the matter in only one society and take legal procedure, it would not be easy to divert the issue to public agenda. Thus, as Figure 1 shows, it is general route of the issues are becoming public agenda internationally.

Even though South Korea has successfully transitioned from the role of recipient country to donor, there were some matters with public opinion and social environment. 13 years of delayed time between joining OECD and DAC (Organization for Economic Co-operation and Development) implies that there was indifference to official development assistance even in South Korea at that time.

Thus, most important matter to expand and divert education cooperation internationally is formation of public opinion and interests as a beginning step. Because Government could decide not to establish a policy even if they consider the issue as a public agenda. However, the pressing issues have significant meaning to policy makers just as for the public.

3. SOUTH-SOUTH COOPERATION

a) Concept and Principles

South-South Cooperation (SSC) is defined broadly as an exchange of knowledge, best practices, technical support, human resources, trade, and policy advice among developing countries. According to the definition in the Bali Strategic Plan (2004), it is: “a process whereby two or more developing countries pursue their individual or collective development through cooperative exchanges of knowledge, skills, resources and technical know-how”. Ideally, such cooperation is “initiated, organized and managed by developing countries themselves with governments playing a lead role while involving public and private institutions, non-governmental organizations and individuals”. It is “multidimensional in scope and can therefore include all sectors and all kinds of technical cooperation activities among developing countries, whether bilateral, multi-lateral, sub-regional, regional or interregional in character”.

As stated in the Nairobi Outcome Document of the High-Level UN Conference on South-South Cooperation in 2009, South-South Cooperation differs from ODA, in that SSC is characterized as a
“partnership among equals, based on solidarity” and is guided by the principles of respect for national sovereignty and ownership, free of any conditionality. However, South-South Cooperation is not meant to replace North-South Cooperation, but is best positioned to complement North-South exchanges.

South-South Cooperation is changing the landscape of sustainable development. The Final Outcome Document of the UN Conference on Sustainable Development (2012) recognizes the growing role of South-South Cooperation in providing additional resources and contributing towards capacity building for the implementation of development programs. The shared history and similar ambitions of developing countries make SSC a relevant modality to address the common challenges facing these nations (UNESCO, 2008).

The normative principles that underpin the emerging development narrative adopted and promoted by most of the Southern donors seem to advance a vision of what can be called ‘alternative development,’ which gives voice to partners’ concerns. They appear to be keen on dialogues, and thorough discussions both to explore alternative scenarios and to support countries in the global South as they strengthen and retain their control over the development processes. The emphasis on horizontal cooperation may make it possible for countries of the South to devise more suitable strategies for broad-based industrialization, promoting food security, reforming trade policies, and creating institutions to construct a new global aid regime. Although it is evident from the discussion above that the Southern aid providers do not

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necessarily all rely on the exact same aid policies and programs, the general focus appears to be on untied aid, autonomous development, South–South cooperation, partnership and development based on the priorities of the countries at the receiving end. This relatively new narrative certainly opens up the horizon for broader, more meaningful partnership among developing countries. It also creates an opportunity for countries of the South to work together to build a common platform for more effectively addressing the challenges of economic development in the new millennium (Fahimul, 2013).

As re-affirmed in the Ministerial Declaration of the 33rd Annual Meeting of the Ministers of Foreign Affairs of the Member States of the Group of 77 and China, in September 2009 in New York, the principles of SSC are:

- SSC is a common endeavor of peoples and countries of the South and must be pursued as an expression of South-South solidarity and a strategy for economic independence and self-reliance of the South based on their common objectives and solidarity;
- SSC and its agenda must be driven by the countries of the South;
- SSC must not be seen as a replacement for North-South Cooperation. Strengthening SSC must not be a measure of coping with the receding interest of the developed world in assisting developing countries;
- Cooperation between countries of the South must not be analyzed and evaluated using the same standards as those used for North-South relations;
- Financial contributions from other developing countries should not be seen as official development assistance from these countries to other countries of the South;
- SSC is a development agenda based on premises, conditions and objectives that are specific to the historic and political context of developing countries and to their needs and expectations;
- SSC is based on a strong, genuine, broad-based partnership and solidarity;
- SSC is based on equality, mutual respect and mutual benefit;
- SSC respects national sovereignty in the context of shared responsibility;
- SSC strives for strengthened multilateralism in the promotion of an action-oriented approach to development challenges;
- SSC promotes the exchange of best practices among developing countries in the common pursuit of their broad development objectives;
b) Features and Types

The political component of SSC should at no time be ignored, since one of the main objectives of SSC is reform of the international order and the global economic system. SSC is primarily a mode of cooperation, aimed at strengthening bilateral relations among the Southern countries, and providing them with tools that will help the South to develop and increase its collective bargaining power. SSC creates solidarity among developing countries and aims to ensure national self-sufficiency whilst providing support to the South as it becomes part of the global economy.

Factors which differentiate South-South Cooperation from traditional North-South Cooperation are namely: i) non-interference in internal matters, ii) increased sensitivity to specific contexts, iii) equality between partner countries, iv) respect for their independence and national sovereignty, v) promoting self-sufficiency, vi) diversification of ideas, vii) approaches and methods of cooperation, viii) preference for the use of local resources, ix) generating broader elements of ownership, x) greater flexibility, xi) simplicity and speed of execution and xii) the preservation of diversity and cultural identity. These factors are further strengthened by their adaptation to national priorities. South-South Cooperation has a distinct difference from North-South Cooperation. It tends to be driven by mutual economic and commercial linkages, including access to dwindling natural resources and not by charity. It also has a greater emphasis on technical cooperation and knowledge transfer than conditionality-based projects, programs or budget support.

Distinctive Features of South-South Cooperation (PPD, 2010)

- **Support, leading to horizontal partnerships**: SSC offers a different type of relationship and might improve the diversity of choices for technical cooperation at the country and regional level, while also creating more horizontal forms of development partnerships.
- **Cost effectiveness**: Drawing on regional and national resources, SSC delivers superior value for money.
- **Demand-driven character**: Given the scarce resources and the horizontal relations
between the partners, SSC is more aligned with recipients’ priorities and needs.

- **Adaptability**: Since recipient and provider share similar development challenges, SSC can generally provide highly-adapted and relevant solutions, especially in terms of relevant technology and cultural understanding.

- **Southern knowledge**: SSC diversifies knowledge and expertise beyond industrialized models.

Though South-South cooperation has been operated for the last thirty years, there are still discussions around how to define South-South Cooperation in respect to North-South Cooperation. These often include a disclaimer: “South-South Cooperation is not supplementary to North-South Cooperation but is complimentary to North-South cooperation”. South-South Cooperation completes and balances international cooperation and is a necessary and valuable element together with North-South Cooperation. Negations and devaluations should not be appended to the expected contribution of South-South Cooperation to global/international cooperation (Fahimul, 2013).

Numerous variations of South-South Cooperation exist. SSC can be differentiated depending on the following criteria: the way the cooperation is financed, the role of each stakeholder, the domain in which the cooperation takes place, etc. UNESCO describes a classification system which distinguishes between several types of South-South Cooperation based on the activity of the cooperation. UNESCO differentiates the following types of cooperation as follows:

- **Sharing experiences and good practices**: one or more developing countries with experience and expertise in a certain domain exchange(s) this experience and expertise with one or more other developing countries.

- **Strengthening of networks**: several institutions from different developing countries form a network and work together within this network.

- **Capacity-building**: Capacity-building in the context of SSC is about increasing the ability of a southern country to promote development. For example, capacity-building can include the training of personnel and the purchase of equipment. The southern countries help each other build up their capacity to promote development.

- **Partnership development**: developing countries start a partnership and set up a
c) Challenges and Issues
Creating a shared vision of development as well as constructing a new global aid regime would present challenges for the Southern donors, as they do not occupy a dominant position in overseas aid. It is also virtually impossible to precisely report the Southern donors’ share in total foreign aid because of the absence of well functioning reporting mechanisms, coupled with the reluctance of some non-DAC countries to remove the veil of secrecy from their aid operations. Without significantly increasing their share in overseas aid, it is unlikely that the Southern donors will play a decisive role in shaping and reshaping the directions of the existing official aid programs. If the DAC countries keep their pledges to increase their aid volume in the near future, it will be even more of a challenge for non-DAC donors to actively influence the aid agenda, to construct a new global aid regime based on the normative principles of horizontal cooperation, solidarity and partnership. What makes the task of creating a new aid regime even more complex for the Southern donors is their status in development cooperation, as they are still seen as aid recipients. In particular, the dual role they seek to play, i.e. functioning sometimes as donors and at others as recipients, may also negatively affect their ability to become key players in global development.

In addition, non-DAC donors have not yet shown any clear promise of building alternative aid structures to promote their vision of development through mutual cooperation and collaboration. For instance, the India, Brazil and South Africa (IBSA) trust fund, which emerged out of dialogue among these countries in 2004, is the only concrete example of the advancement of a shared agenda for development. Inspired by the spirit of solidarity, IBSA seeks to address the challenges of poverty and hunger collectively. One of its major goals is to give meaning to the concept of South–South cooperation by identifying and sharing examples of best practices in poverty reduction efforts that can be replicated elsewhere. Although this trilateral initiative has recently expanded its operation to the creation of global jobs through the International Labor Organization (ILO), the scope of its funding operation remains fairly small compared to other programs sponsored by DAC countries. China’s absence from the initiative also significantly limits IBSA’s ability to emerge as a vehicle for strengthening the influence of the global South in international affairs, especially global development.
Neither is there much evidence that Southern donors have joined forces to create an organizational platform to advance a new aid agenda beyond the dominant thinking of the OECD.

The UN’s Development Cooperation Forum (DCF), which was formally launched in 2007 as a new organization under the control of the Economic and Social Council (ECOSOC), seems to provide a new window of opportunity for Southern countries to reflect their distinctive voices in development cooperation. However, the DCF’s loosely defined organizational structure and its primary role as a mutual accountability mechanism designed to foster a results-oriented culture have already cast doubts on its ability to emerge as a political platform for Southern countries to actively and effectively influence the global development agenda. Much needs to be done to turn DCF into a policymaking forum that has both the ability and political desire to challenge the current DAC-dominated development assistance programs.

Contrary to what the Southern donors claim, their aid is not qualitatively different from that of the aid flows from OECD countries. Like DAC countries, most Southern donors use their overseas development assistance programs to promote their own trade, investment and commercial interests. The rhetoric of untied aid, for instance, does not have much of an empirical grounding in the development operations of virtually any of the Southern donors. Almost without exception China’s development assistance programs insist on using Chinese materials, labour, and engineering and other technical skills in construction and infrastructure building projects. Yashwant Sinha, India’s former foreign minister, made no secret of the fact that India’s development initiatives are ‘tied to the extent that procurement could be made through Indian suppliers’. South Africa also requires recipient countries to use its resources, including its technology, skilled labor and equipment. Critics also argue that the Southern donors’ desire to either develop or further strengthen their relationships with other Southern countries is driven primarily by their national political and economic interests.

Brazil, India and South Africa’s development cooperation programs also appear to be driven by their national economic and political interests. For instance, Brazil’s development programs are guided by its foreign policy objectives, which aim to consolidate its international image as a Southern nation willing to play a greater role in global peace, security and justice. Such an image is necessary for garnering international support for its bid to gain a permanent seat on the UN Security Council. It is believed that the country’s flagship technical cooperation program is used
to expand its business and commercial interests in different parts of the world through the opening up of new markets for Brazilian commodities. Similarly foreign policy goals seem to dictate the very nature of India’s development cooperation initiatives. Like China, India has recently scaled up its development aid programs to promote its dual objectives of gaining global recognition as an emerging player in international decision making as well as facilitating trade and investment. Apart from solidifying its support for a permanent seat on the UN Security Council, the country uses its development cooperation programs to export Indian goods and services. Its expanding financing operations are primarily designed to help India’s private companies gain strong footings in different parts of the world, including South Asia and Africa.

Commercial goals are so integrated into its development cooperation programs that researchers cannot separate the aid component from its loan programs. South Africa’s development cooperation programs are likewise motivated by its foreign policy objectives, which are geared toward the maintenance of its role as a regional hegemony.

4. PRIVATE SECTOR IN EDUCATION COOPERATION

a) Concept and Principles

The importance of the private sector for development is widely recognized. No sustainable development could take place without participation of developing countries to international cooperation and without appropriate growth of their economies. Growth is essential for a sustainable generation of public revenues needed to implement policies and deliver services to the citizens, as well as for private income for a wide range of actors and groups in society. This is more likely to happen if the pace and pattern of growth are sufficiently inclusive. The private sector has played an active role in the work of international development cooperation since the inception of the UN in 1945, and a number of organizations of the UN system have a successful history of co-operating with the private sector. Recent political and economic changes have fostered and intensified the search for collaborative arrangements. There is a recognition that many of the world’s most pressing problems are too complex for any one sector to face alone. Notably, over the past ten years the private sector and other stakeholders have increasingly

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8 Federal Ministry for Economic Cooperation and Development (2010). Development Partnerships with the Private Sector. Germany: BMZ.
become active partners in helping the UN in achieving its goals, as a complement to Government action.

Since poverty reduction cannot sustainably be generated by public actors only, it requires a key role of the private sector which in all developed countries is a major source of prosperity. Market-based approaches to poverty reduction are gaining growing interest from the private sector, the developing countries and donors. Public intervention can only be a part of the solution for the multiple problems with which developing countries and their populations have to cope.

Donors, including the European Union, are also looking for engaging better with the private sector in development, as several decades of official development aid did not bring about the expected results in terms of sustainable development⁹.

It is important to find ways of engaging with the private sector which can leverage its potential contribution towards development objectives, not only in educational terms, but also in social and economic terms. Moreover, a greater role for the private sector in development would seem necessary from an overall governance perspective: a stronger and diversified private sector can help strengthen civil society and have a potentially positive impact in terms of capacity building and empowerment, on income generation and on wider access to education and employment for larger strata of populations.

The United Nations (2009) defines the Private Sector as: i) For-profit, and commercial enterprises or businesses; ii) Business associations and coalitions (cross-industry, multi-issue groups; cross-industry, issue-specific initiatives; industry-focused initiative); including but not limited to corporate philanthropic foundations. Also, irrespective of the situation-specific nature of cooperative arrangements, UN (2009) and UNDP (2012) have also put forth the following general principles for working with the private sector:

<table>
<thead>
<tr>
<th>&lt;Table 4&gt; UN/UNDP Principles of working with Private Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Advance (UN) goals</td>
</tr>
</tbody>
</table>

b) Strategy and Types

Identifying the private sector as the key to sustainable, rapid growth, the strategy aims to help expand and strengthen private sector participation in the development of the developing countries. The strategy is designed to provide a systematic and coherent framework within the private sector to support growth and reduce poverty. These will be pursued primarily in four priority operational areas that can make the greatest impact on the private sector’s contribution to pro-poor growth.

In formulating the strategy, five factors have been considered: i) Overarching objective of poverty reduction; ii) The development challenges facing the region; iii) The private sector related activities of other multilateral development agencies, particularly those operating in the region; iv) Own institutional strengths; and v) lessons learned from existing private sector activities.10

The private sector is a basic organizing principle of economic activity in a market-based economy where private ownership is an important factor, where markets and competition drive production and where private initiative and risk taking set activities in motion. The private sector includes a wide range of market actors that may operate either in the informal or the formal economy. For the purpose of this strategy, the following actors will be considered as part of the private sector or as important market actors (UNDP, 2012):

- Multinational companies11 with global reach and operations
- Large domestic companies12

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11 A multinational corporation (MNC) or multinational enterprise (MNE) is a corporation enterprise that manages production or delivers services in more than one country. It can also be referred to as an international corporation. They play an important role in globalization.
12 This includes both local firms and subsidiaries of foreign corporations that follows and respects the UN Global
Micro, small and medium enterprises\(^{13}\) (MSMEs)

- Business intermediaries and interlocutors such as Chambers of Commerce and Industries, business associations, innovative alliances, business roundtables, stock exchanges and a new generation of cooperatives\(^{14}\).
- Social enterprises\(^{15}\) and other innovative constellations formed to address a specific development issue or cause
- Mutual organizations (such as Visa, MasterCard, asset management companies, cooperative banks, mutual saving banks, credit unions, mutual insurance/assurance and healthcare companies)
- State Owned Enterprises (SOE)\(^{16}\), i.e. either wholly or partially owned by a government and that engage in commercial activities as part of an open market system.

c) Challenges and Issues\(^{17}\)

Current private contributions to education in developing countries, totaling $683 million a year, are equivalent to only 5% of all aid to education - and less than 0.1% of the profits of the world's two biggest oil companies, Exxon and Shell.

The private sector could take a much bigger role in funding education worldwide. The new policy paper from the Education for All Global Monitoring Report shows how little education receives compared with other private sector contributions to development in general; 53% of US foundations' grants are allocated to health but only 8% to education. Just five corporations - Banco Santander, Cisco, Intel, Coca Cola, and Exxon - make up the majority (60%) of the private sector contributions to education.

Compact principles and that are capable of investing in and creating opportunities for multi-stakeholder engagement and collective action for sustainable development.

\(^{13}\) The statistical definition of SMEs varies by country, and is usually based on the number of employees or the value of assets. The lower limit for “small-scale” enterprises is usually set at 5 to 10 workers, and the upper limit at 50 to 100 workers. The upper limit for “medium-scale” enterprises is usually set between 100 and 250 employees.

\(^{14}\) A cooperative is a legally incorporated business arrangement that provides for the control of the business by its membership. A new generation co-op (NGC) is a type of cooperative that uses a system of delivery rights and obligations to encourage business loyalty and provide a form of vertical integration. NGC’s are particularly suitable to ventures involved in value-added agricultural processing and marketing.

\(^{15}\) A social enterprise is an organization that applies commercial strategies to maximize improvements in human and environmental well-being, rather than maximizing profits for external shareholders. Social enterprises can be structured as a for-profit or non-profit, and may take the form of a co-operative, mutual organization, a social business, or a charity organization.

\(^{16}\) A state-owned enterprise (SOE) can be either wholly or partially owned by a government and is typically earmarked to participate in commercial activities.

\(^{17}\) Re-organized the Education for All Global Monitoring Report releases a policy paper from Davos for 2013 World Economic Forum.
In 2011, total development aid decreased for the first time since 1997; aid to education is now expected to stagnate until 2015 despite a funding gap of $16 billion a year just to send all children to pre-primary and primary school. Progress towards the Education for All goals - which is impossible without funding - has now ground to a halt with less than two years to go until the deadline.

Also, the EFA Global Monitoring Report shows that private sector contributions often do not reach those most in need, and are often only short term. Most ICT companies, for example, direct their contributions towards emerging markets such as Argentina, Brazil, Chile, China and Mexico, rather than the poorest countries. There is also a danger that corporate contributions align more closely with business interests than country needs.

The 2012 EFA Global Monitoring Report makes four recommendations for improving and increasing funds from the private sector to education:

- All private organizations should be transparent about the amount and purpose of their commitments. This would allow scrutiny to ensure that business interests do not override collective goals, while also giving information on the amount of resources available to fill the EFA financing gap.
- To have a lasting impact on EFA, private organizations need to provide sufficient funding over several years to assure the sustainability of initiatives because education is a long-term endeavor.
- Better evaluations need to be carried out of the impact of private sector interventions.
- Private organizations should align their support with government priorities and countries' needs. The Global Partnership for Education could play a larger role in pooling and disbursing funds to this end.

5. DISCUSSION AND CONCLUSION

Half a century has passed since Official Development Assistance (ODA) was initiated after World War II. With the end of the Cold War and the progress of globalization, the environment surrounding ODA has dramatically changed. ODA under the framework of the East-West confrontation became a thing of the past. Meanwhile, the world is becoming increasingly multi-
polar and diversified due to globalization and the rise of newly emerging countries. Today, the world cannot be viewed simply from the conventional North-South framework.

While globalization has positive aspects such as accelerating the free movement of people, goods, money and information and creating new industries and employment, it also widens the socio-economic gaps and causes various transnational threats (such as financial crises, infectious diseases, and global climate change). Such negative effects of globalization are severely affecting vulnerable people in poor countries. In such an environment, global efforts to reduce poverty have been strengthened and the importance of sustainable growth has been reconfirmed. Furthermore, after the Cold War, regional conflicts and civil wars between ethnicities have occurred frequently; this has made support for peace building and post-conflict reconstruction important areas of development assistance.

As development agenda has changed, the actors in development assistance have been changing, too. Not only the traditional donors, but also emerging countries, such as China, India and Brazil, provide development assistance. NGOs and private companies have come to play an important role as well. Moreover, remittances sent to home countries by diasporas and overseas workers of developing countries are on the rise. Now, the volume of private funds flowing into developing countries exceeds that of ODA. This trend is likely to continue in the future.

Looking back on the past half century, South Korea has made a significant contribution to the self-reliance and development of Asian countries, particularly through aid, trade and investments, building on its dual experiences as an aid-recipient country (in the past) and a donor country. In the last couple of decades, East Asia has transformed into a growth center in the world. This is a powerful success story realized by the hard efforts of those East Asian countries that effectively utilized their contribution, and they should take pride in their developmental achievements.
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