

KIM HEUNGCHONG

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Now, I want to go next to Kim Heungchong. Kim Heungchong, Aminata Touré and Jean Marie Paugam have talked about climate and the financing of global public goods, and one of the issues on the table is how do we deal with the financing of global public goods, which are clearly underfinanced. I know you have been thinking about this. You wanted to talk a bit about that issue. What is your take on this?

Kim Heungchong

We have discussed many issues regarding global governance: whether the world can go on with no global governance, and what global governance means in the context of the existing order that was established after WWII.

We are seeing an increasing level of skepticism in the role played by international organizations or summit-level gatherings among major countries. The fragmentation and “blocization” of global economies are now substantial, and confusion caused by the Great Transformation involving major trends such as digitalization and green transformation proceeds rapidly, as well as the unforeseen events such as war and pandemic. All of these hinder the stable provision of global public goods that the emerging economies have hitherto utilized for their growth.

When it comes to international development and development assistance, we are now combating poverty, the global health crisis, the side effects of digitalization and the climate crisis. These are all changing the structure of ODA. Digitalization and green technology may exacerbate the widening income disparities among people, but they can also create a new form of global public goods by enhancing the delivery or accessibility of ODA. The digitalization of ODA will be the revolution for increasing the effective distribution of global public goods while responding to the climate crisis through green technology. The key is how to manage technologies.

Yet, digitalization may destroy the jobs of middle-skill workers. Only a small amount of the unskilled and the high skilled can survive under digitalization – this is where we should consider the backfire of applying ODA projects with digitalization in developing countries, since they are lacking the infrastructure for utilizing this technology. All of the major changes, together with the pandemic, the war and polarization will be the target of ODA in the coming



era. Lastly, strengthening the ODA strategies and changing the structure of ODA will determine the effectiveness of global public goods distribution.

Masood Ahmed

Thank you very much, Kim Heungchong, and thank you for bringing the question of development assistance, ODA, and how it is being used now. As you say, if you look at aggregate numbers for ODA, they are now about 180 billion or so. They have gone up a bit over the last few years, but most of this increase is accounted for by an increase in humanitarian assistance and by an increase in including the financing of refugees inside the country that is providing the assistance. The largest recipient of Swedish ODA, therefore, is now Sweden. The largest recipient of UK ODA is now the UK because that is where they are spending the largest share of their overseas assistance right now in covering the cost of hosting refugees from Ukraine and elsewhere.